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**ANADOLU HAYAT
EMEKLİLİK**

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The pictures of the artist Hayati Misman shown in this annual report are from the collection of Anadolu Hayat Emeklilik.

Turkey's Leader in Life Insurance and Private Pensions

TRY 2,363 Million

Life and Pension Funds

TRY 2,825 Million

Total Assets

TRY 344 Million

Shareholders' Equity

297,662

Private Pension System Participants

800,029

Life Insurance Customers



extensive reach and high quality

Active in private pension and life insurance segments, Anadolu Hayat Emeklilik offers high added value and high quality service via its headquarters in İstanbul and nationwide delivery network.

Corporate Profile

High quality service across the country since 1990

Turkey's first life insurance company, Anadolu Hayat Emeklilik commenced activities in 1990.

Active in private pensions and life insurance markets, Anadolu Hayat Emeklilik offers value added and high quality service via its headquarters in İstanbul and nationwide distribution network.

Anadolu Hayat Emeklilik operates through regional offices in İstanbul (2), Ankara, Adana, Bursa and İzmir, a branch in the Turkish Republic of Northern Cyprus, its direct marketing team and nearly 300 agents.

Anadolu Hayat Emeklilik has Turkey's most extensive bancassurance network. The company effectively uses over 1500 branches of Türkiye İş Bankası (İşbank), HSBC, TEB and Anadolubank as the key distribution channel in its service process.

The most preferred company in private pensions and life insurance markets

One of the founders of the Private Pension System (PPS), Anadolu Hayat Emeklilik further endorsed its leadership in the number of participants at the end of its fourth year of operation in this branch.

Having exceeded the sectoral average, Anadolu Hayat Emeklilik reached a total of 297,662 participants in PPS as of year-end. While this figure represents 20% of the industry's total, the company's total invested amount reached at TRY 737 million. In private pensions, Anadolu Hayat Emeklilik registered TRY 910 million in funds.

The leader of life insurance branch ever since its commencement, Anadolu Hayat Emeklilik generated premiums in the amount of TRY 339 million in 2007, and maintained its leadership by a large margin with 24% share in the life insurance industry's total premium production.

Anadolu Hayat Emeklilik is a subsidiary of İşbank.

A subsidiary of İşbank, Anadolu Hayat Emeklilik shares are quoted on the İstanbul Stock Exchange (ISE) National Market under the symbol ANHYT

Our Vision, Mission and Corporate Strategy

Our vision

To be the leading company in Turkey in all aspects of financial planning that are of concern to the future of Turkey and the Turkish people.

Our mission

To develop and to nurture in people an awareness of the need to safeguard their own futures and the futures of their loved ones; to offer financial solutions that ease people's doubts about the future and enhance the quality of their lives; and to contribute to the development of the national economy by creating long-term financial resources.

Our corporate strategy

- Contribute to the stable growth of the industry by developing and maintaining a diverse range of products capable of satisfying customers' needs and demands in terms of life insurance and private pensions.
- Increase market share by combining the success in offering innovative products and creating value through an extensive service network.
- Provide customers with financial security and enable them to save up for their retirement by taking advantage of the company's experience and effectiveness in the industry to achieve superior performance in the management of pension funds.
- Maintain a sustainable level of profitability that is above the market average.



The first and the pioneer

2007 saw the first group of participants entitled to pension payment from Anadolu Hayat Emeklilik under the Private Pension System.

Milestones

Founded as Turkey's first life insurance company in 1990, Anadolu Hayat Sigorta was transformed into a Private Pension company in 2003 and started operating under the name Anadolu Hayat Emeklilik A.Ş.

1990 Anadolu Hayat Sigorta A.Ş. was founded as Turkey's first life insurance company taking over the life insurance activities carried out by Anadolu Anonim Türk Sigorta Şirketi.

1991 Regional branches were opened in Ankara, Bursa, Adana and İzmir.

1992 Comprehensive Health Insurance policies were started to be issued.

1998 Ankara Branch Office was renamed to Central Anatolia Regional Office.

1999 Lefkoşa Branch was set up in the Turkish Republic of Northern Cyprus to conduct life insurance activities. Sirkeci and Kadıköy branches were opened.

2000 Anadolu Hayat Sigorta A.Ş. became the first and only life insurance company whose shares are publicly traded. The company was relocated to İş Towers in December which also houses İşbank subsidiaries.

2001 "Life for everyone" policy Turkey's first-ever insurance coverage without any age limitation and without requiring any health conditions was introduced. Bursa, Adana, İzmir and İstanbul branches were reorganized as Marmara, South Anatolia, Aegean, İstanbul 1st and İstanbul 2nd regional offices.

2002 Upon the publication of the "Private Pension Savings and Investment System Law", an application was filed to be transformed into a private pension company in order to operate in this field.

2003 Upon the transformation permission from the Republic of Turkey Undersecretariat of the Treasury, the company received the license and started to operate under the name Anadolu Hayat Emeklilik A.Ş. The first private pension contract was issued in October 27.

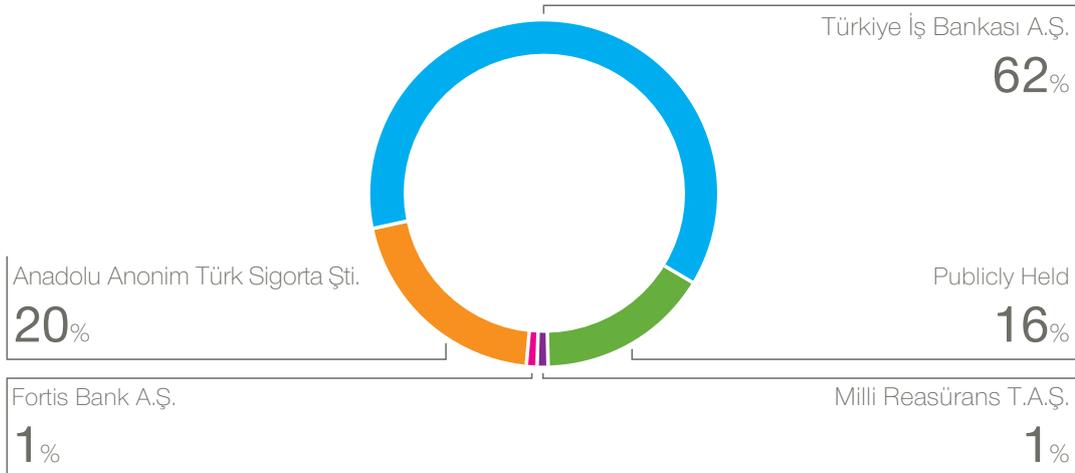
2004 Undersigning yet another first, Anadolu Hayat Emeklilik introduced the "Pension Plan for Housewives" that provides income for housewives without social security and supplementary income in older ages. According to legislation the company's health insurance portfolio and activities were transferred to Anadolu Anonim Türk Sigorta Şirketi. Online payment of private pension contributions and life insurance premiums via internet was enabled.

2005 Bancassurance activities carried out with parent company Türkiye İş Bankası (İşbank) were extended by agency agreements with Türk Ekonomi Bankası A.Ş. (TEB) and HSBC Bank A.Ş. (HSBC).

2006 With the support of the Ministry of National Education, the company initiated the social responsibility project "Girls the Insurance of the Future" in cooperation with the Association for Supporting Contemporary Living (ÇYDD) planned to last 8 years. Bancassurance activities were expanded through agency agreements with Anadolubank A.Ş. and TSKB A.Ş.

2007 First pensioners of the Private Pension System were entitled to pension benefits. The company website was renovated enabling online transactions for private pension accounts. An agency agreement was signed with Bank Pozitif A.Ş.

Anadolu Hayat Emeklilik by Numbers



Shareholding structure

The company's paid-in capital as of 31 December 2007 is TRY 175,000,000, consisting of fully-paid 17,500,000,000 shares each with a value of Ykr 1.

No changes occurred in the company's capital and shareholding structure during the fiscal year.

Breakdown of capital on the basis of shareholders is presented below:

	Share Amount TRY	Share Portion %
Türkiye İş Bankası A.Ş.	108,500,000	62
Anadolu Anonim Türk Sigorta Şti.	35,000,000	20
Milli Reasürans T.A.Ş.	1,750,000	1
Fortis Bank A.Ş.	1,750,000	1
Publicly Held	28,000,000	16
Total	175,000,000	100

Of the 17,500,000,000 shares representing the capital in the amount of TRY 175,000,000; 100,000,000 consist of Class A shares and the remaining 17,400,000,000 consist of Class B shares. As of the date of the balance sheet, all of Class A shares are held by Türkiye İş Bankası A.Ş. (İşbank), the company's shareholder.

Holders of Class A shares are not granted any privileges save for the election of the members of the Board of Directors. The company's articles of association do not allow creation of new Class A shares in capital increases. Shares held in the company by the chairman and members of the Board of Directors, General Manager and Assistant General Managers are negligible.

Modifications in the articles of association during the fiscal year

No modifications were made to the company's articles of association during the fiscal year.

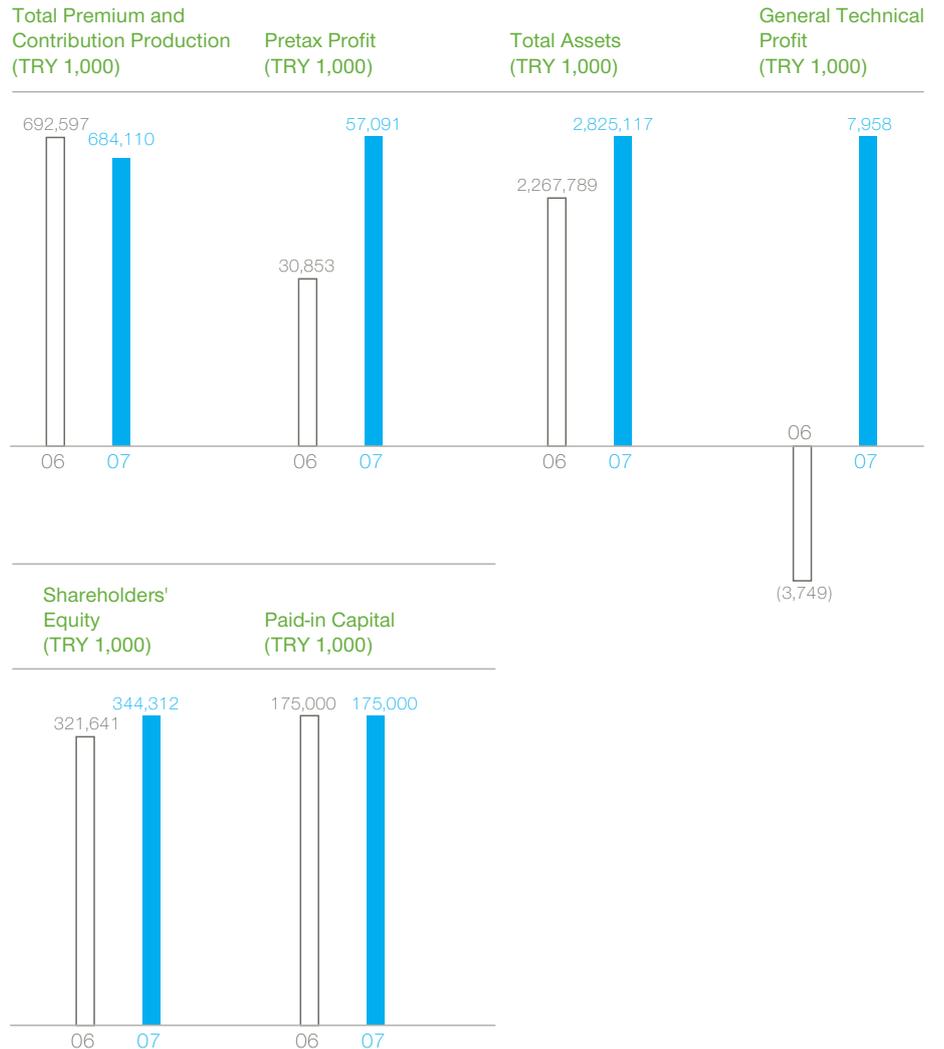
The strongest company in the industry in terms of asset size and shareholders' equity, Anadolu Hayat Emeklilik displayed a successful financial and technical performance once again in 2007 and sustained its growth.

Financial highlights

TRY thousand	2006	2007
Total Premium and Contribution Production	692,597	684,110
Mathematical Reserves and Dividend Reserves	1,319,478	1,453,067
Pension Funds	527,623	910,158
General Technical Profit	(3,749)	7,958
Total Assets	2,267,789	2,825,117
Paid-in Capital	175,000	175,000
Shareholders' Equity	321,641	344,312
Financial Income	51,471	58,027
Pretax Profit	30,853	57,091
Net Profit	25,285	45,481

Key ratios

	(%)	(%)
Pretax Profit /Shareholders' Equity	10	17
Total Premium and Contribution Production/Total Assets	31	24
Shareholders' Equity/Total Assets	14	12



Chairman's Message



M. Sirri Erkan
Chairman

Anadolu Hayat Emeklilik continued to take place among the leading companies in private pension and life insurance segments, adding new links to its chain of achievements in 2007.

Gradually more influenced by the volatilities in the international markets, the Turkish economy is estimated to have grown 5% in 2007

Esteemed shareholders,

Anadolu Hayat Emeklilik continued to take place among the leading companies in private pension and life insurance sectors, adding new links to its chain of achievements in 2007.

Competently blending them with the İşbank Group's deeply-rooted corporate culture and values, Anadolu Hayat Emeklilik transforms its know-how and experience into powerful performance in both fields it pursues activities in.

Our company made optimum use of the industry's potential in a challenging international and national environment also in 2007 drawing on its flawless strategies, and steered its operations towards growth.

A fluctuating period in global economy

While the adversities in the US housing sector and the volatilities in credit markets led to a poor performance by the American economy in 2007, they also caused fluctuations in the global markets. Despite the unsettled financial markets, the development in the world economy continued last year, resulting in 4.9% growth.

The upward change in the interest rate policies in the USA gave rise to a gradually increasing burden exerted by housing loans most of which had been extended at variable interest terms, followed by regression in credit markets. Problems started to crop up in the liquidity and valuation of instruments offered in connection with these loans as well. Credit agencies holding these instruments in their portfolios began experiencing problems in securing funds. Negative news on the US economy and the balance sheets of large financial institutions still cause short-lived volatilities in macro-economic balances.

While the Euro Zone that has registered a moderate growth in 2007 was faced with increased risks against growth, housing investments and consumption outlays started to decline due to the more stringent lending conditions that resulted from the volatilities in global markets. Also losing pace in 2007 was the Japanese economy.

During 2007 dollar depreciated against euro. This was contributed by FED's reduction in interest rates despite ECB's continued increases. Dollar's loss of value gained speed after FED's decision in September to cut down interest rates. The euro/dollar parity went up to 1.48 during 2007, which was 1.32 at year-end 2006.

2007 was a year of fluctuating prices for oil as well. The telling factors in increased oil prices last year were the concerns about supply and strong demand resulting from the recent geopolitical risks and natural disasters.

Painted with uncertainties, this picture bore its negative effect on the national economy.

Increasingly affected by the volatilities in international markets, the Turkish economy is estimated to have grown 5% in 2007. As a result of the tight monetary policy pursued by the Central Bank of Turkey and also with the impact of high interest rates, private sector consumption outlays lost pace in parallel with the slowdown in domestic demand, and the growth was driven for the most part by the increase in public investments.

The targets in inflation could not be achieved. Although overall demand supports the downward move in inflation, factors such as the increased excise tax levied on fuel oil and tobacco products in the last quarter of the year were influential on the inflation's escalation once again.

In 2007, the exports increased at a higher rate than imports and the foreign trade deficit registered a limited growth compared with the previous years. In view of the fact that the large part of Turkey's exports goes to EU countries, the valuation of euro was particularly deciding in the strong performance displayed by exports.

The primary drivers behind the growth in imports were the strong course of the Turkish lira, high level of imported input use and the high prices of international commodities led by oil.

Although it was financed by direct investments to a large extent, current deficit still arises as the biggest issue in economy due to uncertainties in international liquidity.

Taking into account the national insurance industry's needs as mandated by the EU harmonization process, the new Insurance Law was drawn up and published in June 2007. The law is expected to contribute positively to the development of the industry.

Life Insurance and Private Pensions embody a strong potential.

2007 saw significant activities carried out in the insurance business. Taking into account the national insurance industry's needs as mandated by the EU harmonization process, the new Insurance Law was drawn up and published in June 2007. The law is expected to contribute positively to the development of the industry.

While the Regular Report on Turkey's Progress towards Accession published in 2006 read "even though there has been some progress, alignment with the acquis is limited in the area of insurance", the 2007

Report stated "there is partial alignment with the acquis in insurance and private pension areas." This expression is significant in that it confirms the progress made in respect of alignment.

Another important development in life insurance and PPS in 2007 was the accelerated foreign capital inflow into this industry. Last year, 80% of the shares in Genel Yaşam were sold to Mapfre, while 15% of Garanti Emeklilik ve Hayat shares were acquired by Euroka. Finally, the merger of Aviva Hayat ve Emeklilik and AK Emeklilik under the name AvivaSa represents another major development in the industry.

Based on the data published in 2007 in relation to worldwide life insurance business, the growth continued in 2006 and premiums in life branch increased 7.7%. In the worldwide total premium production, USD 2.2 billion is generated on life branch.

According to data that covers 28 countries, worldwide private pension funds reached as high as USD 17.9 billion at year-end 2005.

Premiums written in life branch in 2007 were in the order of TRY 1.4 billion in Turkey. The funds under PPS amounted to TRY 4,566 million.

Although Turkey makes rapid and significant progress in contribution productions and fund accumulations she is still at the start of the road. As opposed to developed countries having populations getting gradually older, private pension is supported and encouraged as a new system in our country. This will have a

Taking into account the national insurance industry's needs as mandated by the EU harmonization process, the new Insurance Law was drawn up and published in June 2007. The law is expected to contribute positively to the development of the industry.

significant positive effect both on the industry's growth and the public finance obligations. The young composition of the population indicates a fast and stellar development offering a high growth potential in the economy and the financial system, while also attracting more and more interest from the foreign capital.

We will always take place in the top ranks.

Anadolu Hayat Emeklilik sustained its leadership in life insurance in 2007. Taking the first place in terms of the number of participants and contracts in PPS, our company enjoys the pride of being the most preferred private pension company.

The strong position held by the company is not coincidental. The key elements that make our success permanent are our solid vision and strategies molded by our experience in financial markets, and our professional human resource.

With a performance-focused team, we are working continuously to maintain our profitable and stable growth, while strictly adhering to the corporate culture and ethical rules of the İşbank Group, of which we are a proud member.

Human resource is regarded as an extremely valuable asset at our company. Along these lines, the company invests heavily in its human capital, supports corporate development by improving its employees' competencies and builds its future on solid foundations. I would like to extend my sincerest thanks to our entire team with which we undersigned our achievements and share the same vision.

It is our priority target to be the strongest and the most reliable company serving in the Turkish insurance industry. The sense of trust deeply established with our life insurance policyholders and private pension participants will continue to make the main axis of our activities. I would like to take this opportunity to extend my grateful thanks to all our customers.

Yours sincerely,



M. Sırrı Erkan
Chairman

strong vision

The key elements that make our success permanent are our solid vision and strategies molded by our experience in financial markets, and our professional human resource.



General Manager's Assessment of 2007



Mete Uğurlu
General Manager

For Anadolu Hayat Emeklilik 2007 was a year of further strengthened leadership in life insurance segment and solid establishment of its comprehensive service capability and its stance as a preferred company in PPS as evidenced by the highest number of new participants won for the system by the company.

Anadolu Hayat Emeklilik considers it a duty to expand the Private Pension System and targets to get the largest share from it.

Esteemed shareholders, customers and employees,

For Anadolu Hayat Emeklilik 2007 was a year of further strengthened leadership in life insurance segment and solid establishment of its comprehensive service capability and its stance as a preferred company in PPS as evidenced by the highest number of new participants won for the system by the company.

Our activities are conducted on two primary axes that are also expressed in our mission:

- Providing people with financial security and enabling them to save up to build a better future for themselves,
- Contribute to the national economy by creating long-term resources

Putting these activities into life through strategies formulated on the principles of customer-focus, innovation, profitability and productivity, our company further leverages its corporate and financial strength each year.

We are the undisputed leader in life branch.

Based on year-end 2007 data, our company maintained its leadership by a large margin taking a 24% share in life branch, registering TRY 339 million in premium production.

While TRY 1.4 billion was produced in premiums by 19 life insurance and pension companies in the overall industry, this figure represents a 1.83% growth year-on. Increased volume of consumer loans extended by banks also results in a rise in the sales of life insurance policies provided in connection with these loans. On the other hand, the primary reason preventing the expected increase in premium production in endowment life insurance is the fact that long-term investments are channeled into the Private Pension System to a large extent.

We are growing in parallel with PPS.

As the Private Pension System steps into its fifth year, it stands at an outstandingly good point with the number of participants and the value of funds reached. Each month nearly 40 thousand new participants join the system which is complementary to the public social security system. As the total number of participants exceeded 1.4 million at year-end 2007, the system grew beyond the projections. Total funds amounted to TRY 4,566 million. The reliability, transparency and high return of the system are influential in the growing interest. As a result of this development, all the companies in the industry revised their targets for the next 10 years. For 2013, the overall target is 3.3 million customers in average and funds worth USD 24 billion on the basis of current exchange rates.

Anadolu Hayat Emeklilik considers it a duty to expand the Private Pension system and targets to get the largest share from it. As a team, we are delighted to be pioneering the fast expansion of the system. This fact gives us even greater motivation to work.

On the basis of the figures from the Pension Monitoring Center (PMC) as of December 31, 2007, our company:

- is the market leader with 297,662 participants and 20% share.
- ranks first with 310,726 contracts.
- reached 19.9% market share with a production of TRY 910 million in funds.

Anadolu Hayat Emeklilik outdid the sectoral average in growth and achieved 57% increase in the number of participants and 72% expansion in funds. The sector's growth rates for the same criteria were 36% and 62% respectively.

Our financial and technical performance is rising.

We are aware that private pension is, by nature, a system that will give companies access to profit in the long term. From this perspective, companies will only be able to offer long-lasting PPS service based on very solid balance sheets and robust capital structures. Anadolu Hayat Emeklilik is the strongest company in the industry in terms

of asset size and shareholders' equity. At year-end 2007, our total assets amounted to TRY 2,825 million and our shareholders' capital reached TRY 344 million.

Sustaining its profitability, our company posted a technical profit of TRY 26 million on its life insurance branch activities. The company expects to be moving into technical profitability in private pensions in the medium term.

In 2007, Anadolu Hayat Emeklilik showed financial income worth TRY 58 million.

Our company's pretax profit in 2007 amounted to TRY 57 million and its net profit was TRY 45 million.

Marketing activities are pursued effectively and expansively.

Besides the performance it displays, the industry's growth potential is highly promising in view of our country's population and demographic structure. Private pension and life branches require a strong sales network; in this regard, using banks as a channel in the sales of products (bancassurance) become gradually more important. The key element that becomes a telling factor on the companies' market capitalizations is the strength of the sales network, in addition to its growth potential. Anadolu Hayat Emeklilik stands out also on the sales channels front with its agencies, competent direct sales team and effective bancassurance activities.

Crucial with respect to the future, revenues and market efficiency of our company, bancassurance implementations are successfully carried out by Anadolu Hayat Emeklilik. In addition to joint activities conducted with İşbank, TEB, TSKB, HSBC and Anadolubank via their countrywide branch networks, the company established a new cooperation with Bank Pozitif in 2007.

Crucial with respect to the future, revenues and market efficiency of our company, bancassurance implementations are successfully carried out by Anadolu Hayat Emeklilik.

Modifications in legislation will have a positive effect on corporate participations.

In Turkey, corporate participation in the system remains rather low compared with other countries. The new Insurance Law and complementary legislation started to be published subsequently gave a legal basis to vesting, a practice giving employees entitlement to contributions paid by the employer on their behalf. It can be suggested that this could spur corporate participations to some extent. The law also allows private foundations and retirement funds to transfer their resources along with the acquired rights therein to the Private Pension System. These developments will add momentum to the growth of the system. Our efforts are ongoing to bring our company into compliance with these new arrangements as quickly as possible.

We espouse customer-focus in all our processes.

With a view to creating customer and quality-focused business strategies and to enhancing efficiency and productivity in all processes to render the company's development continual, a Customer Focused Transformation (in Turkish: MOD, Pusula) project was launched by early 2006. The projects under this scope are carried on under five main headings: "management", "organization", "customer", "information systems" and "change management". An additional ongoing effort is systematic information sharing with the company's employees in line with the new practices, as well as regular training programs and provision of guidance to the personnel along the same lines.

Another key contributor to customer-focused processes will be centralizing all operational activities under a joint structure and managing them in concert with customer relations and call center functions by a more effective organization.

Anadolu Hayat Emeklilik is there for the Turkish women.

Via its social projects and also with its products and services, Anadolu Hayat Emeklilik supports Turkish women in their efforts to claim their deserved position in social and economic arenas.

Crucial with respect to the future, revenues and market efficiency of our company, bancassurance implementations are successfully carried out by Anadolu Hayat Emeklilik.

Aiming to secure scholarships for girls who are unable for financial reasons to continue their schooling, the "Girls, the Insurance of our Future" project was launched in 2005-2006 academic year. The initiative is carried on in conjunction with ÇYDD (Association for Supporting Contemporary Living) and with the support of the Ministry of National Education.

Our company works towards putting the value it accords to our women in the society in a concrete form. In this frame Anadolu Hayat Emeklilik, in keeping with its pioneering and innovative identity, commenced issuing PPS contracts for housewives, upon which 85 thousand housewives joined the system.

We believe in our principles and we succeed...

The primary goal of our company is to sustain the long-standing leadership in life insurance branch and to raise our currently 20% market share in the private pension branch to higher levels in terms of funds managed and number of participants.

Pursuing its operations drawing on the strength, confidence and sense of responsibility bestowed upon it from being one of the foremost companies in the industry and the national economy, our company is committed to adding new links

to its chain of achievements in productivity, profitability and growth by making the most of the depth and breadth of its knowledge, and its capitalization. Possessing a customer-focused approach to service and acting with a deep awareness of its social responsibilities, Anadolu Hayat Emeklilik, still Turkey's first and only publicly-floated pension company, will continue to create value for all of its stakeholders in accord with corporate governance principles guided by transparency and accuracy.

In closing, I take this opportunity to thank all those whose support and contributions made these results possible: our principal shareholder İsbank and our other shareholders, our agents and employees, and our life insurance policyholders and private pension participants. It is to them that we owe our success.

Yours sincerely,



Mete Uğurlu
General Manager

transparent and accurate

Possessing a customer-focused approach to service and acting with a deep awareness of its social responsibilities, Anadolu Hayat Emeklilik will continue to create value for all of its stakeholders in accord with corporate governance principles guided by transparency and accuracy.



Developments in the World and Turkish Economies in 2007

A period of uncertainties in the world economy

It is estimated that the world economy grew 4.9% in 2007 despite the uncertainties and volatilities that dominated the year. This result, which was achieved in spite of negative factors such as the problems in the US housing market and the decelerated growth in the Euro Zone and Japan, was largely contributed by the emerging countries that captured a high growth rate during the year overall.

Although inflation was partially taken under control in developed countries, inflationist pressures grew stronger paralleling the upward trend particularly in food and energy prices towards the end of the year. Strong domestic demand and high food and energy prices gained the foreground as risk factors with respect to inflation in emerging countries.

The US economy last year was marked by the issues experienced in the housing sector and the negativities in the credit markets. The problems in the housing sector are expected to live on in 2008 and to affect all the world economies along with the USA via the real economy and the financial markets. In this regard, the deceleration in economic growth is projected to continue in 2008.

Despite the inflation that is a threat due to the increasing energy and commodity prices in the USA, FED commenced the interest rate reduction process to prevent the imminent crisis with the fear that the volatility in the credit market could outspread to the entire economy. In this frame, FED cut down the short-term interest rate by 100 basis points in total to 4.25% as of year-end 2007. Measured interest rate reductions are expected to go on in 2008 in line with the data to be published and the developments to occur in the financial markets.

The risks against growth increased in the Euro Zone that has registered a moderate growth in 2007. In 2008, decline is expected in housing investments and consumption outlays because of the more stringent lending conditions that resulted from the volatilities in global markets.

FED's reduction in interest rates despite ECB's continued increases during 2007 gave rise to significant increase in the euro/dollar parity. As a result, the euro/dollar parity closed 2007 at 1.46, which was 1.32 at year-end 2006.

Having followed a fluctuating course throughout 2007, oil prices surpassed the USD 95 a barrel mark. Standing at USD 59 a barrel at the end of the previous year, the primary telling factors in increased oil prices were geopolitical risks, natural disasters and concerns about supply. In view of the current circumstances, it is predicted that Brent oil prices will exceed USD 100 a barrel in the first quarter of 2008.

The Turkish economy

Estimated to have expanded nearly 5% in 2007, the Turkish economy's growth performance was mainly driven by the increased foreign demand. While the contribution of domestic demand to growth was limited particularly in the first half-year due to uncertainties in the country, adverse global developments put a brake on growth rates although the said uncertainties were eliminated to a large extent. These negativities unquestionably had an adverse impact on the increase in foreign demand in the second half of the year. While the public sector's impact on growth was pushed up through public investments, private consumption outlays lost momentum due to the contracted domestic demand.

High inflation rates resulted from several factors such as the raises in tobacco products' prices, high price increases in unprocessed food, the effects of the exchange rate and the monetary tightening whose reflection was not yet evident in early 2007. Despite the activity in energy and food prices, this situation started to change subsequently when the tight monetary policies implemented the year before started to bear their effects. Yet, despite the support given by the demand to the inflation process and the improvement in service inflation, annual inflation stood at 8.4% in CPI and 5.9% in PPI. The high increase particularly in CPI is well above the targeted 4%.

Estimated to have grown nearly 5% in 2007, the Turkish economy's growth performance was mainly driven by the increased foreign demand.

The Central Bank of Turkey (TCMB) lowered the overnight borrowing rate by 175 basis points in total starting from September 2007 to 15.75%, which it had maintained at 17.50% since August 2006. This decision was driven by the expectations that the recovery in domestic demand would be moderate and the foreign demand would slow down depending on international developments, as well as the positive development observed in inflation. Although the strong course of the Turkish lira led the inflation rate expectation to be bettered relatively, a cautious approach to fiscal and monetary policies is anticipated to be maintained so as to make the decline in inflation continual.

Having gone up to as high as 21% at the beginning of 2007, the compound interest on benchmark government borrowing instruments dropped to 16% subsequently. The primary factors in this decline were the elimination of uncertainties arising from the elections, TCMB's interest rate cuts, and the foreign investors' purchases in the bonds and bills market.

The course of exchange rates during 2007 was affected by the changed risk perception in international markets, the developments in relation to inflation and current deficit, TCMB's decisions on interest

rates, and foreign fund inflow. Exchange rates displayed a downward trend in the first seven months of the year, but adopted a volatile course in the remaining part of the year due to the turbulence experienced by the markets. The exchange rates dropped considerably after FED's and TCMB's decisions to lower interest rates. As of end-December 2007, the Turkish lira depreciated 12.4% against the FX basket consisting of USD 1.00 + EUR 0.77.

The İstanbul Stock Exchange's (ISE) National-100 index displayed an increasing trend throughout 2007 with the effect of the positive expectations in relation to economy, continuing interest of foreign capital, and the election process that was finalized. Having exhibited a positive performance, the ISE National-100 index increased 42% last year, reaching 55.538 points, while the market values of stocks in the said index rose 49% in the same period.

Expectations concerning the Turkish economy in 2008

It is predicted that the Turkish economy will sustain its development in 2008 and grow in the order of 5.-5.5%, and the inflation rate will be near 6.9%, the upper limit of uncertainty range.

uninterrupted growth

The two pegs supporting the growth target arise as the level of success to be achieved in the implementation of the economic program and the ongoing negotiation process with the European Union.



Factors that need to be closely watched in 2008 will be the EU membership process, the course of the US and EU economies, oil prices, and the developments that will occur in the Middle East and Northern Iraq. When the inflation, current deficit and the fragilities inherent in the Turkish economy are also taken into account, it is assumed that the financial sector in 2008 will pursue cautious policies in lending, liquidity and interest risk management.

The two pegs supporting the growth target arise as the level of success to be achieved in the implementation of the economic program and the ongoing negotiation process with the European Union. In this frame, the downward trend in inflation, positive developments in interest rates and public finance, along with the progress in privatization and structural reform efforts are considered as the elements that will determine the continued growth of the national economy.

Developments in Life Insurance and Private Pension System in 2007

In 2007, 19 life insurance and pension companies operated in life insurance sector in Turkey. Nine of those companies were also active in private pension system.

Total premium production in 2007 amounted to TRY 1,411 million which corresponds to a year-on rise of 1.83%. On the basis of these results, the top ten companies in the sector generated 91% of total premium production while the life sector contributed a 12.8% share of the overall premium production in the insurance industry. As the pension system has a rising trend in the sector, premium production in endowment life insurance declines matching this trend.

Since 27 October 2003, the total number of participants exceeded 1.4 million in the Private Pension System which has completed its fourth year in 2007. In the same period, total funds under management reached TRY 4,566 million. Based on PMC data of 31 December 2007,

there was a 62% year-on increase in total funds. Total amount of contributions in the industry is published as TRY 3,917 million.

Of great importance to the industry and long on the agenda, legal arrangements went into force upon the publication of the "Insurance Law" in the Official Gazette dated 14 June 2007. The law also incorporates amendments to the "Private Pension Savings and Investment System Law".

The Insurance Law went into force.

Of great importance to the industry and long on the agenda, legal arrangements went into force upon the publication of the "Insurance Law" in the Official Gazette dated 14 June 2007. The law also incorporates amendments to the "Private Pension Savings and Investment System Law".

The law represents a milestone in leading Turkey's financial markets to comply with global markets. Legal infrastructure is expected to be finalized with the completion of secondary legislation that is started to be published upon the enactment of this law. All these efforts in the legal arena are vital in bringing the sector into alignment with the European Union and international standards.

The new law sets forth the terms and conditions for the commencement, inspection and termination of activities of insurance and reinsurance companies, Association of the Insurance and Reinsurance Companies of Turkey (TSRŞB), Executive Committee of Insurance Agents, Executive Committee of Insurance Surveyors, Insurance Arbitration Committee, agencies, actuaries and surveyors. The changes imposed by the law aim at the protection of consumers and rendering the companies operating in the industry more trustworthy.

An important new practice introduced by the law is the formation of an "Insurance Arbitration Committee" under the Association of the Insurance and Reinsurance Companies of Turkey for the resolution of conflicts arising out of an

Of great importance to the industry and long on the agenda, legal arrangements went into force upon the publication of the "Insurance Law" in the Official Gazette dated 14 June 2007. The law also incorporates amendments to the "Private Pension Savings and Investment System Law".

The arrangement relating to the vesting period is expected to accelerate the decision-making processes of corporations that wish to join the system, but are hesitant to do so due to lack of sufficient regulations in this topic.

insurance contract between its parties. In this way, it will become possible to resolve the conflicts by the insurance reporters and arbitrators in this committee without referring the dispute to the court.

The organization, duties and authority of the TSRŞB are also among the provisions addressed in the law. Further, the Executive Committee of Insurance Agents, which is a new institution to be set up, is targeted to adopt such objectives as the determination of the code of ethics applicable for insurance agents, ensuring uniformity of practice, elimination of unfair competition and undertaking training activities with a view to improving the profession.

The arrangement relating to the vesting period is expected to accelerate the decision-making processes of corporations that wish to join the system, but are hesitant to do so due to lack of sufficient regulations in this topic.

Vesting is starting...

The arrangement relating to the vesting period in group pension contracts, which was an item on the agendas of pension companies last year, defines the period of time which participants become entitled to the employers' share of contributions. This legal safeguard is expected to accelerate the decision-making processes of corporations that wish to join the system, but are hesitant to do so due to lack of sufficient regulations in this topic.

Another important aspect the law dealt with is that it allows such organizations as associations, foundations and retirement funds, which commit retirement to their members or employees, to transfer their accumulations and the amounts in relation to their commitments to the Private Pension System or annuity contracts within five years.

Arrangements in favor of consumers aim at increasing the amounts invested. "Life Insurance Regulation" issued as per the Insurance Law enacted in 2007 introduced various changes in favor of

consumers, while contributing positively to the operating standards of the industry by presenting clarifications in various subjects including the tariffs, calculation charts used, and profit share calculations.

Determining lower deduction limits in favor of consumers and limiting the amount that will be charged to consumers as brokerage fee, the regulation will serve to increase the amount to be invested from the premiums paid by policyholders.

While the forthcoming period is expected to see the incorporation of new companies that will offer service in life insurance and private pension branches, it is also assumed that the interest of foreign capital in the existing companies and their share in the industry will increase.

As the banks' increased retail loan sales are expected to contribute positively to the growth of the life branch, the gradually increasing number of people choosing private pension for their long-term investments will negatively affect development of endowment life insurance policies.

As the efforts mainly focused on delivery channels and the promotion of the system in 2007, various improvements were also made to the infrastructure and practices in the last four years. 52% of the participants are residents of three major cities, İstanbul, Ankara and İzmir; this fact highlights the importance of expanding the system by reaching the potential customers in other provinces.

Another issue that is regarded as crucial to the system's growth and development and is frequently brought up by pension companies is to double the cap on contributions that can be claimed as tax-deductible expenses. This will encourage participation in the system both by contributors and by employers who pay contributions on their behalf.

Goals and Policies of Anadolu Hayat Emeklilik

The goal of Anadolu Hayat Emeklilik is to be the leading company in the industry in life insurance and private pension branches in which it is active. In keeping with this, the company gives the foreground to customer satisfaction and intends to sustain its profitable and stable growth while strictly adhering to the corporate culture and code of ethics of the İşbank Group, of which it is a member.

It is among top priorities for Anadolu Hayat Emeklilik to render achievements permanent and to be the strongest and most reliable company in the Turkish insurance industry. Set in line with these key policies, Anadolu Hayat Emeklilik spells out its objectives as follows:

- We will continue our efforts uninterruptedly for sustaining the long-standing leadership in the life insurance branch and further increasing the current 20% market share in the private pension branch in terms of funds and participants.
- We will strictly adhere to sensitive policies for minimization of faulty sales, and for close monitoring of cancellation and conversion ratios on the basis of sales channels.
- We will keep working towards ensuring widespread use of Anadolu Hayat Emeklilik call center and website by the customers and improving their effectiveness. We will further increase the emphasis placed on these tools making up vital components of the marketing and sales network.
- We will continue to improve bancassurance during 2008, which is crucial for the company's future and for its efficacy in the market. As was the case in 2007, new product development and active presentation thereof will be carried on for all identified needs in the banking and financial services sector, giving the priority to mortgage and life insurance in connection with loans.
- We will keep closely following-up the practices of life insurance and private pension companies with which we compete in the industry, as well as those operating in foreign countries. In addition, we will work to develop package products offering a combination of private pension and life insurance products, and to present them to the customers through appropriate channels.
- We will give weight particularly to vesting practices that will encourage corporate participation and to work towards the transfer of significant amount of accumulations in associations, foundations and retirement funds to the private pension system.

Anadolu Hayat Emeklilik: Developments, Outlook and Strategies

During 2007 Anadolu Hayat Emeklilik offered life insurance and private pension products to an increased number of customers.

In 2007, Anadolu Hayat Emeklilik;

- offered life insurance and private pension products to an increased number of customers.
- registered 57% growth in the number of participants and 72% in assets under its management.
- sustained its marketing activities effectively and expansively.
- made effective use of bancassurance via the nationwide networks of İşbank, TEB, HSBC, Anadolubank, and TSKB, and established a new cooperation with Bank Pozitif.
- kept working towards achieving even higher quality in service and greater efficiency in customer relations.
- gave momentum to its projects to restructure itself into an even more customer-focused company.
- pursued a policy of transparent communication with all of its shareholders and adhered strictly to corporate governance principles.

Anadolu Hayat Emeklilik continues incessantly with its efforts to,

- provide individuals and their loved ones with a future that is secure and prosperous,
- contribute to the national economy through the long-term resources it creates, and
- be the industry's leader in both of the insurance branches it provides service in.

Competent human resources, unparalleled service infrastructure, a top-notch and extensive agency network, and the synergetic collaboration that has been developed with İşbank all play an important part in the company's reaching its goals and producing increasing added value.

Pension plans and investment funds reflecting customer expectations Focused on fully meeting the particular needs of individual and corporate customers, Anadolu Hayat Emeklilik offers 17 different pension funds with different content and deductible structures under 7 individual and 135 group pension plans managed by 3 different asset management companies. This rich array of choices gives participants the flexibility to specify their individual preferences according to their own investment experience and risk versus return expectations.

Anadolu Hayat Emeklilik works with Turkey's biggest and most experienced asset management companies in the management of its pension funds. In this scope, the company cooperates with İş Asset Management as well as with HSBC Asset Management and TEB Asset Management.

secure and prosperous

Anadolu Hayat Emeklilik targets to provide individuals and their loved ones with a future that is secure and prosperous.



Anadolu Hayat Emeklilik Pension Funds

Name	Asset Management Company
Money-market fund	
AHE Liquid Fund	İş Asset Management
Growth funds	
AHE Equity Fund	İş Asset Management
AHE White Equity Fund	HSBC Asset Management
AHE International Mixed Fund	İş Asset Management
AHE Aggressive Fund	İş Asset Management
AHE Group Equity Fund	İş Asset Management
Income funds	
AHE Bond Fund	İş Asset Management
AHE Bond & Bill Fund	HSBC Asset Management
AHE Orange Bond & Bill Fund	TEB Asset Management
AHE Eurobond Dollar Fund	İş Asset Management
AHE Eurobond Euro Fund	İş Asset Management
AHE Conservative Fund	İş Asset Management
AHE Group Conservative Fund	İş Asset Management
AHE Group Bond Fund	İş Asset Management
AHE Group Eurobond Fund	İş Asset Management
Other funds	
AHE Balanced Fund	İş Asset Management
AHE Orange Balanced Fund	TEB Asset Management

More extensive sales and marketing network

The diversity and penetration of its sales channels equip Anadolu Hayat Emeklilik with its most important competitive advantage.

Achieving maximum harmony among these channels consisting of agents, bank branches, and a direct sales force, continuously strengthening each channel so as to leverage this rooted structure are the company's top priorities.

Located in İşbank's branches in 39 cities, the company's direct sales force possesses great significance within the delivery channels. Having sold 38% of new private pension plans in 2007, the direct sales force consisting of 238 members (Future Planning

Specialists) handles the marketing of both private pension and life insurance products.

The most successful example of bancassurance in Turkey

Under the heading of bancassurance activities, Anadolu Hayat Emeklilik collaborates with İşbank, HSBC, TEB, Anadolubank and TSKB. Via the branches of these banks, the company is able to offer its private pension and life insurance products to a vast customer base. This channel is responsible for 93% of the company's 2007 production in private pensions.

Anadolu Hayat Emeklilik expanded its network with a new agreement in 2007 and signed an agency agreement with Bank Pozitif.

The diversity and penetration of its sales channels consisting of agents, bank branches, and a direct sales force equip Anadolu Hayat Emeklilik with its most important competitive advantage.

Increasing service efficiency and effectiveness through alternative sales channels

Both the call center and the internet branch are developing as marketing, sales and customer relation channels whose strategic importance is growing steadily. The growth and development in these channels, which have a high-profile presence in marketing, pre and after-sale services and service quality, have a significant importance to achieve sustainable customer satisfaction.

The Customer Relations and Operations Department responded to about 300,000 incoming calls and 22,000 e-mails during 2007, and made over 34,000 outgoing calls.

Another important function of the Customer Relations and Operations Department is telemarketing and online marketing. Purchase demands for life insurance and private pension products received by telephone and internet are managed by the Customer Relations and Operations Department.

Synergy created by the deeply rooted cooperation with İşbank

The deeply-rooted cooperation between Anadolu Hayat Emeklilik and its parent company İşbank represents one of the most extensive, effective and successful examples of bancassurance in Turkey.

İşbank's extensive branch network, strong technological infrastructure, and alternative delivery channels constitute a unique means of service that provides Anadolu Hayat Emeklilik with a great competitive advantage.

Each one serving as a natural Anadolu Hayat Emeklilik agent, İşbank branches make it possible for the company to offer its products and services all over the country uninterruptedly.

Accelerated activity in the corporate market

Increased participation by corporations is crucial with regard to the development of the Private Pension System that has been in operation in Turkey since 2003.

While corporate participations were lower compared with individual participations in the overall industry in 2007, the greatest contributor to the corporate market was the international and large-scale national companies which secured the futures of their employees through group plans under the Private Pension System.

Based on the Pension Monitoring Center (PMC) data, Anadolu Hayat Emeklilik grew its number of corporate contracts to 58,650 at year-end 2007 from 42,602 at year-end 2006, and the company acquired 15% market share in this segment. While the corporate contracts directed into investment amounted to TRY 880 million in the sector, Anadolu Hayat Emeklilik had a market share of 14.2% with TRY 125 million.

Poised strongly in this segment by virtue of its product diversity and quality approach to service, Anadolu Hayat Emeklilik continues its efforts to grow in the corporate market.

Vesting will serve to the development of the corporate market

The system is anticipated to see increased activity after the establishment of principles regarding vesting addressed within the scope of group pension contracts, as well as those relating to transfer of foundations and retirement funds to the Private Pension System, and following the tax advantages to be granted. Poised strongly in this segment by virtue of its product diversity and quality approach to service, Anadolu Hayat Emeklilik continues its efforts to grow in the corporate market.

Seeking to capture leadership in this segment as well, the company targets to reach participants using a variety of channels in its corporate promotional activities.

In addition to fully equipping its sales team in corporate sales by providing all necessary support, the company continues to inform firms and their employees about the group pension plans within the scope of carefully executed promotional activities.

Significantly contributing to creation of awareness about the system, the promotional activities started to pay off. This will play a major part in expanding the corporate portfolio of Anadolu Hayat Emeklilik in the years to come. Services provided to existing customers and efforts to develop these services since the PPS came into operation have been influential in ensuring corporate customer loyalty. Aspiring to offer the best and fastest service both to its existing and potential customers, Anadolu Hayat Emeklilik progresses in keeping with this goal.

Strong agent network grow sales

Given great importance by Anadolu Hayat Emeklilik, the company's nearly 300 agents generated sales of significant amounts both in endowment life insurance and private pension policies.

Agents were responsible for 53% of premium production in endowment life policies, and for 27% of private pension contributions inclusive of premiums on policies sold jointly with banks.

Customer Focused Transformation Project

Under the restructuring process launched with the awareness that customer and quality-focused business strategies make

up the first step of sustainable growth and development, Anadolu Hayat Emeklilik introduced projects aimed at increasing effectiveness and productivity in all its processes. Reorganizing Anadolu Hayat Emeklilik and all its sales channels into a customer-focused structure is the foundation underlying all of the activities carried on under five main headings: management, organization, customer, information systems and change management.

Electronic Private Pension Intermediary Exam

As per the applicable legislation, agents and sales representatives serving as intermediaries in the PPS must successfully pass the "e-BEA" (electronic private pension intermediary) qualification exam. During 2007, Anadolu Hayat Emeklilik supported the participation of its employees working in all delivery channels in the e-BEA exam.

As a result of these efforts, Anadolu Hayat Emeklilik private pension intermediaries (Future Planning Specialists) holding permanent licenses reached 238 in 2007, whereas total private pension intermediaries numbered 2,627 as of 31 December 2007.

Anadolu Hayat Emeklilik's most important asset: human resource

The greatest power behind Anadolu Hayat Emeklilik's achievements is its experienced, creative and dynamic human resource who espouse the corporate culture and whose actions are guided by common sense.

Anadolu Hayat Emeklilik provides all kind of training and career opportunities to its employees so as to make its human resource even stronger. The Company also gives great importance to create and maintain suitable working conditions, a key requirement of productive working.

Poised strongly in this segment by virtue of its product diversity and quality approach to service, Anadolu Hayat Emeklilik continues its efforts to grow in the corporate market.

At the end of 2007 Anadolu Hayat Emeklilik had 533 people on its payroll. Included in this figure and serving under the title Future Planning Specialists, the company's Direct Sales Team consists of 238 people and represents the company's muscle in marketing.

Anadolu Hayat Emeklilik offers its services with a team 65% of which consists of employees in the 25-34 age interval. Average age of employees at the company is 31. This puts Anadolu Hayat Emeklilik among the pension companies with the youngest team.

During 2007, the company provided a total of 2,415 hours of training to its employees. In this scope 1,532 people received training primarily in PPS, professional and personal development. Average training time per person was 22 hours.

Firmly thinking that the development of Turkish women is vital for social and economic development, Anadolu Hayat Emeklilik believes in the necessity of positive discrimination in favor of our young girls and women.

Social responsibility projects

"Success is all about sharing your gains". This is the motto that guides Anadolu Hayat Emeklilik in its social responsibility projects.

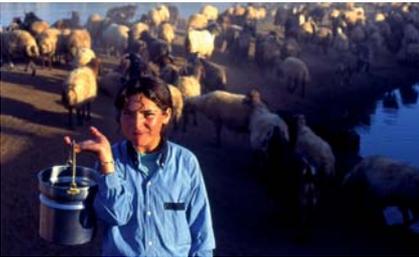
An equally important principle of the company is positive discrimination in favor of women.

Firmly thinking that the progress of Turkish women is vital for social and economic development, Anadolu Hayat Emeklilik believes in the necessity of positive discrimination in favor of our young girls and women.

The process that started with designing products specific to housewives is carried on with the company's social responsibility projects.

This sharing finds its solid form in the "Girls, the Insurance of our Future" project. Run in conjunction with ÇYDD (The Association to Support Contemporary Living) and dedicated to the aim of benefiting 500 girls who are unable for financial reasons to continue their schooling, Anadolu Hayat Emeklilik - Student Scholarship Support Program is continuing its endeavors to provide support to female students,





Firmly thinking that the development of Turkish women is vital for social and economic development, Anadolu Hayat Emeklilik believes in the necessity of positive discrimination in favor of our young girls and women.

beginning with their first year of high school and continuing on through their college years up to graduation. The 2007-2008 academic year marked the third year of this project.

The aim of this project is to attract successful, but financially deprived female students to the insurance sector and to provide them with specialized training, know-how and skills while creating employment opportunities.

In 2006-2007 academic year, an essay contest was organized among the scholarship students. In addition, a trip to İstanbul was organized in June 2007 for the top 40 students.

A visit was paid to the scholarship students in Birecik, Urfa at the opening of 2007-2008 academic year.

This project will be set apart from other projects supporting education by the fact that the students within the scope of the project will be supported in internship and employment processes.

In 2007, a photography contest was launched: "Shots from Life as Seen by Women Intending to turn it into a conventional contest, Anadolu Hayat Emeklilik aims to help the Turkish women to acquire a broader perspective and to express themselves freely.

A select panel of jurors assessed nearly 2,500 photographs of 527 contestants; as a result of the assessment, 56 photographs





deemed worthy of exhibition were displayed at the Tepe Nautilus Shopping Center exhibition area. The exhibited works were also collected in a catalogue so as to ensure their permanence.

To help protect the natural habitats and to maintain a green environment, Anadolu Hayat Emeklilik also continued to extend support to projects led by the TEMA Foundation (the Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats).

Communication endeavors

In 2007 Anadolu Hayat Emeklilik continued its promotional and public relations activities aimed at increasing public awareness of the company, strengthening its image and prestige, and introducing the Private Pension System, the leading system in the sector.

• Kristal Elma (Crystal Apple), the industry's first group pension campaign, received awards in TV commercial, printed ad, best jingle and multi-medium campaign branches in 2007, while "patronamesaj.com" (message to the boss) was granted micro website achievement award.

• As the only company that provides a product uniquely designed for housewives in the sector, Anadolu Hayat Emeklilik emphasizes activities geared towards this target audience. Within this framework, the company carried out various campaigns on special days such as Valentine's Day, International Women's Day and Mother's Day.

• The most deeply-rooted expert company in the industry Anadolu Hayat Emeklilik prepared inserts describing the PPS, which were distributed with Economist and Capital periodicals.

• Anadolu Hayat Emeklilik's website was completely renewed in content and design, to provide anadoluhayat.com.tr with a younger and dynamic look.

• Anadolu Hayat Emeklilik continued to play an effective role in the activities of the platform organized by ten pension companies in an effort to promote PPS and to ensure that the Private Pension System is perceived by consumers as a requisite.

R&D for New Services and Activities

Offering long-term products to customers require quality and continuity, and as such, these two requirements are among the priority targets of all companies operating in the industry.

Anadolu Hayat Emeklilik built its corporate strategy upon :

- contributing to the steady growth of the industry through a diverse range of products that respond to customers' needs and demands,
- offering innovative products, and
- supporting its activities by an extensive service network.

With a view to rendering the company's growth and development continual, an organizational and technological restructuring process was initiated, which aims to increase efficiency and productivity in all processes through the formulation of customer- and quality-focused business strategies.

The intranet which was launched to share the company's know-how, practices and projects, is constantly improved in line with new applications.

Projects are carried out to increase online services and ensure their widespread use. These activities are intended to make use of the Internet as a sales and services channel. The company's website was renovated in 2007, and the online services offered to private pension participants were further enhanced. The participants are able to perform the following transactions on the corporate website.

- Information updates
- Altering the distribution of funds
- Altering the contribution amounts
- Changing payment method
- Payment by credit card

2007 was an intense year in terms of modifications to legislation with respect to companies active in life insurance and private pension sectors. The year was characterized by activities aimed towards bringing the life insurance and private pension contracts into compliance with the revised legislation, and practices and business processes were updated in accord with the revisions.

The changes introduced by law are of a nature to enhance the reliability of companies that are or will be active in the industry, as well as to protect the consumers. The set of secondary legislation published based on the new law establishes the detailed legal regulations and operating principles the industry needs. In line with the changes in legislation, insurance contract conditions and tariffs were updated to reflect these general principles. Even if not in the short term, these regulations will be positively reflected on the market in the medium term.

The customer-focused principles adopted target the satisfaction of both external and internal customers. Research and projects were carried out on various subjects such as employee satisfaction and process improvement.

Heavy work was put into research and development activities to incorporate new information technologies in the company's IT infrastructure.

Anadolu Hayat Emeklilik plans to introduce new products in 2008, which will take into consideration the market's needs and customer satisfaction.

With a view to rendering the company's growth and development continual, an organizational and technological restructuring process was initiated, which aims to increase efficiency and productivity in all processes through the formulation of customer- and quality-focused business strategies.

Turkey's Bank: İşbank

Founded in Ankara in 1924, İşbank has continuously contributed to the Turkish economy at an ever-increasing pace in the 83 years since its inception. As the author of numerous "firsts", İşbank is the acknowledged founder and symbol of modern banking in Turkey. Undertaking key roles at every stage of the cycle of economic and commercial activity, İşbank embraces every segment of society in keeping with its mission summed up in the expression "Turkey's Bank" and by doing so it has become the bank of every customer group.

İşbank today serves more than ten million customers in the corporate, commercial, retail, and private banking segments. According to end-2007 figures, the bank's shareholders' equity was TRY 10.6 billion while its total assets were worth TRY 80.2 billion.

İşbank:

- is the only Turkish company in the top 500 of Forbes magazine's list of the world's 2,000 largest companies (*) since 2004.
- ranked 53rd in October 2007 issue of The Banker magazine's list of "300 Largest European Banks" (**). İşbank takes the first place among other Turkish banks included in the same list.
- takes the 19th place in Europe and the 1st place in Turkey in terms of card issuing volume based on The Nilson Report's survey published in May 2007.
- numbered 102nd in the World's Top 1,000 Largest Bank list of The Banker magazine (**).

İşbank's service delivery network consists of:

- 19,414 employees,
- 928 domestic and 11 international branches,
- 3,005 Bankamatiks,
- 909 Kiosks,
- 100 CRSs.

This extensive reach is what defines the bank's superior scale and gives İşbank the ability to provide perfect service. İşbank is a bank that is able to respond to every financial product or service need without exception.

The bank's financial services subsidiaries, which are active in everything from investment banking to portfolio management and from leasing to private pensions, make the bank's ability to supply banking products and services unchallenged.

In addition to having contributed to the growth and development of the financial services sector in Turkey ever since it was founded, İşbank has also pioneered the way in the establishment and growth of many new industries in the country. İşbank today controls a portfolio of equity stakes in leading companies that are active in a wide range of endeavors from glass to telecommunications.

30.37% of İşbank's shares are publicly traded. The bank's stock is traded on the Istanbul Stock Exchange. It is also traded on the New York Stock Exchange as American depository receipts (ADR-144 A) issued by the Bank of New York and on the London Stock Exchange as global depository receipts (GDR-REG S).

(*) Based on the annual rankings among publicly-floated companies.

(**) Based on tier-1 capitals of banks as reported in their 2006 consolidated financial statements.

Undertaking key roles at every stage of the cycle of economic and commercial activity, İşbank embraces every segment of society in keeping with its mission and by doing so it has become the bank of every customer group.



Independent Auditors' Compliance Opinion on Annual Report

To the Board of Directors of Anadolu Hayat Emeklilik A.Ş.:

We have audited the accuracy and compliance of financial information provided in the accompanying annual activity report of Anadolu Hayat Emeklilik A.Ş. ("the Company") with the audit report issued as of December 31, 2007. The Board of Directors of the Company is responsible for the annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual activity reports as set out by the Insurance Law No: 5684 and Individual Retirement Saving and Investment System Law No: 4632. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual activity report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial position of Anadolu Hayat Emeklilik A.Ş. as of December 31, 2007 in accordance with the prevailing accounting principles and standards set out in the Insurance Law No: 5684 and Individual Retirement Saving and Investment System Law No: 4632. The financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes, and also includes the summary Management report and our audit opinion on these financial statements.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU



Sibel Türker
Partner
İstanbul, March 11, 2008

Information on Management and Corporate Governance Practices

Board of Directors and Statutory Auditors



M. Sırrı Erkan (1)

Chairman of the Board of Directors

M. Sırrı Erkan was born in 1955 in Siirt. He received his degree in international relations from Ankara University, Faculty of Political Sciences. He joined İşbank in 1981 where he started his career as an assistant inspector at the Board of Inspectors and subsequently served in various posts in the Accounting Department. He was appointed as a Deputy Chief Executive Officer in 2001. Mr. Erkan functioned as the Chairman of the Board of Directors of Yatırım Finansman Menkul Değerler between 2001-2003; held memberships on the Boards of Directors of Türkiye Şişe ve Cam Fabrikaları between 2001-2005, and of İş Merkezleri Yönetim ve İşletim between 2000-2001; he was the vice chairman of Destek Reasürans between 1994-2000; and vice chairman of the Board of Directors of Anadolu Hayat Emeklilik A.Ş. between 2000-2001. Mr. Erkan was appointed as the chairman of the Board of Directors of Anadolu Hayat Emeklilik on 9 June 2003, a position he still holds.

Onur Ökten (4)

Vice Chairman of the Board of Directors

Onur Ökten was born in 1937 in Adana. He graduated from Adana High School for Boys and joined İşbank in 1965 as a clerk, where he later worked at various levels. He was elected to a seat on the Board of Directors of İşbank in 1991, in which post he served until 2002. He functioned as the chairman of the Board of Directors of Destek Reasürans between 1994-2003; held memberships on the Board of Directors of Türkiye Sınai Kalkınma Bankası between 2003-2006 and of Anadolu Hayat Emeklilik A.Ş. between 2006-2007. He was elected as the vice chairman

Mete Uğurlu (3)

Director and General Manager

Mete Uğurlu was born in 1955 in Ankara. He received his degree in business administration from the Middle East Technical University, Faculty of Administrative Sciences. He joined İşbank in 1978 as an assistant specialist where he worked at various levels in the Organization Department and Information Technology Department, and was appointed as an Assistant General Manager in 2002. He held a membership on the Board of Directors of Anadolu Sigorta between 1991-2002; functioned as the chairman of the Board of Directors of İş Kültür Yayınları between 2002-2003 and of İş Girişim Sermayesi between 2003-2006. He was appointed as the General Manager of Anadolu Hayat Emeklilik on 31 January 2006.

Süleyman Kalkan (2)

Director

Süleyman Kalkan was born in 1956 in Ankara. He got his degree in international relations from Ankara University, Faculty of Political Sciences. He started his career as an assistant inspector at İşbank in 1983, where he was appointed as assistant manager for Retail Loans in 1993, and regional manager for l. Loans Department in 1995. He worked as Non-performing Loans Manager from 1997 until 2003. Having served as the manager of Levent branch until July 2006, Mr. Kalkan currently works as the manager of Balmumcu branch. Süleyman Kalkan also functioned as an auditor at Anadolu Hayat Emeklilik between 1994-1995, and held memberships on the Boards of Directors of İş Factoring between 1996-1998, of Antgıda between 1998-2004 and of İş-Koray between 2004-2007. He has been serving as a Board director at Anadolu Hayat Emeklilik since 28 March 2007.



Emre Duranlı (5)

Director

Emre Duranlı was born on 03 October 1972, in Düsseldorf, Germany. He got his degree in business administration in English from Hacettepe University, Faculty of Economics and Administrative Sciences. He started his career at İşbank as an assistant inspector at the Board of Inspectors in 1996, where he was appointed as an assistant manager to Subsidiaries and Affiliates Department in 2004. Still holding this position, Mr. Duranlı served as a member on the Audit Committee of Anadolu Hayat Emeklilik between 2005-2006, and was elected as a Board director on 27 March 2006. Functioning as the head of Risk Committee, the Committee Member responsible for Audit, and member of the Corporate Governance Committee, Emre Duranlı is the Board director responsible for internal audit and risk management at Anadolu Sigorta, and he also serves as an auditor at Millî Re and Avea.

Senar Akkuş (10)

Director

Senar Akkuş was born in 1969 in Diyarbakır. She holds a degree in economics from the Middle East Technical University, Faculty of Economic and Administrative Sciences. She started her career in 1991 as an assistant specialist at Asset Management Department of İşbank, where she worked at various levels between 1991-2006. She has been serving as the Economic Research Manager since December 2006. Senar Akkuş functioned as a member on the Audit Committee of Anadolu Hayat Emeklilik between 2000-2003 and was elected as a Board director on 28 March 2007.

Serdar Gençer (7)

Director

Serdar Gençer was born in 1967 in Siverek. He holds a degree in industrial engineering from the Middle East Technical University, Faculty of Engineering, and a master's degree in finance from the University of Nottingham in the U.K. He started his career at İşbank in 1990 as an assistant inspector at the Board of Inspectors where he subsequently worked as Assistant Accounting Manager and Accounting Group Manager. Serving as Section Head in the Budget and Planning Department since 2003, he has been elected as a Board director at Anadolu Hayat Emeklilik on 7 May 2007.

Yalçın Sezen (8)

Director

Yalçın Sezen was born in 1965 in Kemalpaşa/İzmir. He holds a degree in public administration from the Middle East Technical University. He started his business life at İşbank as an assistant inspector at the Board of Inspectors in 1987. He functioned as an assistant manager at the Deposits and Banking Services Department of that bank between 1998-2001, where he was appointed as group head at the same department in 2001. He was the group head at Retail Banking Marketing and Deposits Department between 2001-2003 and at Corporate Marketing Department between 2003-2005. He was appointed as manager to the Retail Banking Marketing Department in 2005. He functioned as an auditor at Anadolu Sigorta between 1998-2001, and held memberships on the Boards of Directors of Gempport between 2001-2005 and of İş Kültür Yayınları between March-July 2005. Mr. Sezen has been a Board director at Anadolu Hayat Emeklilik since 27 July 2005.

Erdal İnceler (9)

Director

Erdal İnceler was born in 1968 in Niğde. He holds a degree in economics from the Middle East Technical University, and received a master's degree in international banking and finance from Heriot-Watt University, Edinburgh in 1998. He currently pursues his doctorate studies in business administration at the Swiss Management Center. He started his career in 1990 at the Training Department of İşbank, where he became a group head in 2005. Mr. İnceler was elected as a Board director at Anadolu Hayat Emeklilik on 30 January 2006.

Hüray Böke (11)

Statutory Auditor

Hüray Böke was born in 1960 in Ordu. She holds a degree in business administration from the Middle East Technical University, Faculty of Administrative Sciences. After working as a specialist and manager at various enterprises, she joined İşbank as an assistant specialist at the Training Department in 1986. Following her positions as a specialist, assistant manager at the Accounting Department, and manager of Yıldız/Ankara and Mithatpaşa/İzmir branches of the bank, she was appointed as a group head at the Card-based Payment Systems Department in 2005. She has been functioning as a statutory auditor at Anadolu Hayat Emeklilik since 27 March 2006.

Gürkan Öztoprak (6)

Statutory Auditor

Gürkan Öztoprak was born in 1961 in Ankara. He holds a degree in petroleum engineering from the Middle East Technical University. He got his master's degree from the same university in computer simulations via digital modeling. He worked as an engineer at the Research Center of Türkiye Petrolleri A.O. between 1984-1988. He joined İşbank as a software specialist in 1988 where he currently functions as a group head at the Software Development Department. Mr. Öztoprak served as an auditor at Onur Petrol between 2001-2005 and at İş Yatırım between 2005-2007. He has been serving as a statutory auditor at Anadolu Hayat Emeklilik since 28 March 2007.

Tümay Oskay (12)

Secretary of the Board

During 2007, the company held 10 Board of Directors meetings, 5 of which were convened with full participation of the members. In five other meetings, full participation could not be achieved due to justified excuses of our Board directors.

In two of the meetings that were held without full participation, 2 and 4 Board directors were unable to attend, whereas the other three meetings were convened in the absence of 3 Board directors.

Executive Board and Heads of Internal Audit Unit

Mustafa Afşin Oğuz
Assistant General Manager

M. Afşin Oğuz was born in 1953 in Malatya. He holds a degree in economics from İstanbul University. He completed the master's program in business management at the Institute of Business Economy of the same university in 1977. He started working at the Life Insurance Department of Anadolu Sigorta in 1979. After Anadolu Hayat Sigorta started its operations in 1990, he functioned as the II. manager in the R&D Department, as assistant manager in 1991, and as manager in Life Insurance and Corporate Marketing Department between 1993-2000. Appointed as coordinator in 2000, Mr. Oğuz has become an Assistant General Manager at Anadolu Hayat Emeklilik on 24 January 2002, a position he still holds.



Mehmet Uğur Erkan
Assistant General Manager

M. Uğur Erkan was born in 1964 in Ankara. He holds a degree in economics from the Middle East Technical University, Faculty of Economic and Administrative Sciences. He started his business life as an assistant inspector at the Board of Inspectors of İşbank in 1986. He functioned as assistant manager at the IT Department from 1994, again as assistant manager at the Software Development Department from 1995, where he became group manager in 1998. He has been serving as an assistant general manager at Anadolu Hayat Emeklilik since 14 July 2003.



Engin Murat Yüksel
Assistant General Manager

E. Murat Yüksel was born in 1954 in Ankara. He holds a degree in business administration from the Middle East Technical University, Faculty of Economic and Administrative Sciences. He started working as a software specialist at the Organization Department of İşbank in 1978. He functioned as an assistant manager at the IT Department from 1988, as group head at the Software Development Department from 1995, and as manager at the same department from 1999. He has been serving as an assistant general manager at Anadolu Hayat Emeklilik since 1 June 2005.



Oğuz Haluk Solak
Assistant General Manager

O. Haluk Solak was born in 1963 in Balıkesir. He holds a degree in business administration from the Middle East Technical University, Faculty of Economic and Administrative Sciences. He started his career as an assistant inspector at the Board of Inspectors of İşbank in 1986. At the bank's Accounting Department, he functioned as assistant manager from 1995, and as group head from 1998. He worked as Financial Operations Managers between 2001-2006. He has been appointed as an assistant general manager at Anadolu Hayat Emeklilik on 18 November 2006, a position he still holds.



Orhan Bozkurt
Assistant General Manager

Orhan Bozkurt was born in 1956 in Rize. He is a graduate of Galatasaray School of Economics and Business Administration of İstanbul Academy of Economic and Commercial Sciences. He started working as an assistant inspector at Anadolu Sigorta in 1982. He became a grade 3 inspector in 1986, grade 2 inspector in 1988, and II. manager at İzmir branch in 1989, followed by assistant manager position in 1991. Having served as a manager at the Accounting Department of Anadolu Hayat Sigorta from 1993 and at the Agencies Department from 1994, Mr. Bozkurt was appointed as the head of the Board of Inspectors in 1997. He has been serving as the company's assistant general manager since 12 June 2007.

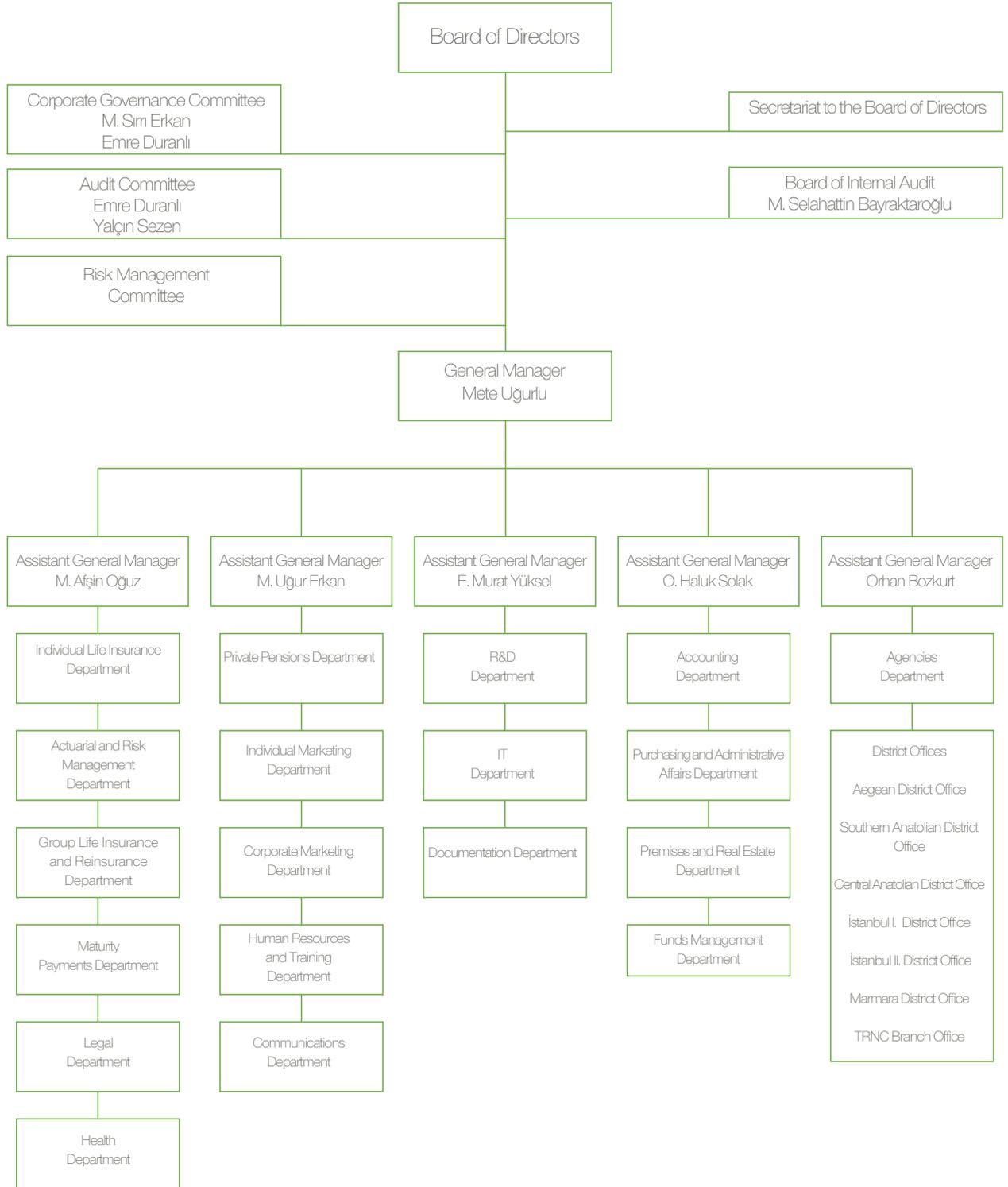


Mehmet Selahattin Bayraktaroğlu
Head of the Board of Inspectors

M. Selahattin Bayraktaroğlu was born in 1969 in Artvin. He holds a degree in public administration from the Middle East Technical University, Faculty of Economic and Administrative Sciences. He started working as an assistant inspector at Anadolu Hayat Sigorta in 1994. At the İstanbul 2. Regional Directorate, he functioned as an assistant manager between 2001-2006, and then as a manager from 2006 onwards. He has been appointed as the head of the Board of Inspectors on 12 June 2007, a position he still holds.



Organization Chart



Corporate Governance Committee's Assessment of the Members of the Board of Directors

All of the members of the Board of Directors other than the one who is company general manager are non-executive directors.

The positions of board chairman and general manager are held by different individuals.

Inasmuch as our company has no ultimate non-corporate controlling shareholders, it is believed that the members of the board are naturally able to act with complete independence and have the advantage of being able to act impartially in their decisions by holding the interests of the company and of its stakeholders above everything else.

The Board of Directors meets regularly as scheduled in advance and at least once a month. It may also convene at any time that circumstances may warrant without being bound by its schedule. The Board of Directors met ten times during 2007. It is an accepted principle that company directors will attend every meeting.

Before the conclusion of a regular board meeting, the date of the next meeting is set. Written notifications of upcoming meetings are also sent out to members. Meeting dates are planned so as to make it possible for all members to be in attendance and board members are generally held with all members in attendance unless exceptional circumstances dictate otherwise.

Board meeting agendas are drafted by the general manager and finalized in line with the suggestions of the chairman and other members.

Information and documents pertaining to the issues on a board meeting's agenda are made available for members to study at least seven days in advance of the meeting date. In situations where this is not possible, every effort is made to ensure that each member has equal access to the same information.

Each member of the board has a single vote. No company director has a preferential voting right or the power to force a decision or cast a veto of any kind.

As specified in the company's articles of incorporation, the Board of Directors convenes with a simple majority of its membership and decisions are passed by a simple majority of those present.

Under the company's articles of incorporation the Board of Directors is empowered to:

- Establish and revoke agencies, branches, and representatives and determine the conditions thereof; act as a proxy, lead insurer, representative, or agency of other insurance and reinsurance companies; determine the working conditions of private pension intermediaries;
- Appoint and dismiss company general managers and other senior officers; appoint and dismiss pension fund boards and auditors within the framework of currently applicable laws and regulations;
- Determine the dates on which the company will begin or cease to engage in the business of private pensions and other insurance branches;
- Determine the principles of pension contracts, annuity contracts, portfolio management contracts, custodianship contracts, mutual fund bylaws, and insurance and reinsurance contracts;
- Enter into and terminate any and all manner of reinsurance agreements;
- With respect to the businesses of private pensions and insurance: establish companies and join companies that have been or will be established for such purposes;
- For the purpose of achieving the company's objectives and putting its capital and reserves to work: buy and sell any and all manner of stocks, bonds, and Treasury bills (except that this shall not be in the nature of portfolio management);
- For the purpose of achieving the company's objectives and putting its capital and reserves to work: buy, sell, and rent movable and immovable properties, have them built, establish and release pledges, mortgages, and any and all manner of real rights over them;
- Have recourse to settlements, acquittals, and arbitrations;
- Set up private pension funds.

Corporate Governance Committee's Assessment of the Members of the Board of Directors

In addition to these primary functions, taking the opinions and suggestions of executive organs and committees the Board of Directors is also empowered to fulfill such responsibilities as:

- Approving the company's annual budget and business plans;
- Having the company's annual reports prepared and finalizing them for submission to a general meeting;
- Ensuring that general meetings are held in accordance with the requirements of laws and regulations and of the company's articles of incorporation;
- Carrying out the decisions of general meetings;
- Approving managers' career plans and reward schemes;
- Specifying policies concerning relations with company shareholders, stakeholders, and the public at large;
- Specifying policies concerning public disclosures by the company;
- Specifying rules of ethics for the company and its employees;
- Specifying the working principles of company committees and ensure that committees function effectively and productively;
- Taking measures to ensure that the company's organizational structure is capable of responding to the conditions of the day;
- Examining the activities of any predecessor board of directors.

The company's board consists of nine members and this number makes it possible for the board's activities to be organized effectively.

Because they represent corporate entity shareholders, members of the Board of Directors are not required by law to be shareholders in the company on account of their duties as company directors.

The requirement of directors to entrust shares of stock to the company is fulfilled by the corporate entity shareholders that the directors represent.

The amount of Company shares held by the Board directors is negligible.

While there are no specific rules governing directors' undertaking duties outside the company, no board members at this time have any duties outside the company other than the ones that are naturally incumbent upon them in the organizations that they represent on the board.

In the conduct of their decision-making duties, members of the Board of Directors are guided by the fundamental principles of:

- Increasing the market value of the company as much as possible
- Ensuring that the company's activities are carried out in such a way as to secure long-term, steady gains for our shareholders
- Maintaining a careful balance between Shareholders' interests and the company's need to grow.

In the formation of the Board of Directors, particular attention is given to the following matters:

- Candidates should be present at the general meetings at which elections are to be held to fill seats on the board.
- Shareholders are provided with pertinent information about candidates.
- Shareholders are allowed to put questions to candidates.
- At general meetings, shareholders are informed about what duties candidates for seats on the board undertake on the boards of directors of other companies and whether or not the conduct of such duties on their part complies with our own company's own rules and regulations.

Newly-elected members of the Board of Directors are given an orientation program that includes at least the following:

- Visits to company units and a chance to meet with management personnel
- A chance to review the career backgrounds and performance evaluations of management personnel
- Details about the company's strategic goals and current standing and problems
- Information about the company's market share, financial structure, and performance indicators.

As required by laws and regulations, a company general manager must hold at least a bachelor's degree and have at least ten years' of experience in insurance or business administration.

At least a simple majority of the board's membership must possess the same qualifications required of general managers save for that of length of professional experience.

Corporate Governance Committee's Assessment of the Members of the Board of Directors

In addition to these qualifications, company directors must also possess:

- A satisfactory level of knowledge and skill on the subject of banking and insurance
- Skill in reading and analyzing financial statements and reports
- At least basic knowledge about the legal framework by which the company is governed as well as general market conditions
- The ability and the willingness to attend board meetings regularly during the term of office to which they are elected.

Company directors devote a sufficient amount of their time to the company's affairs and they exercise their authorities prudently and within the framework of the rules of good faith and they are fully possessed of all the knowledge needed to ensure they are able to completely fulfill their duties.

The Board of Directors has taken measures as necessary to prevent confidential information about the company and/or information that is in the nature of a trade secret from being divulged outside the company.



M. Sirri Erkan
Chairman of the Board of Directors and
Head of the Corporate Governance Committee

Committees Operating at Anadolu Hayat Emeklilik A.Ş.

Corporate Governance Committee

Objectives

To monitor the company's compliance with corporate governance principles and to engage in activities and make recommendations to the Board of Directors to improve such compliance.

Members

Sirri Erkan	Chairman of the Board of Directors (Head)
Emre Duranlı	Director (Member) (Since 30 April 2007)

Structure

The Corporate Governance Committee is formed by the Board of Directors within the framework of corporate governance principles, with priority given to members selected from within its own body. When deemed to be necessary, individuals who are not company directors but who have expertise in particular matters may be given duties on the committee. No general manager may be a member of this committee.

The Corporate Governance Committee must consist of at least two members. Members may not hold executive positions in the company.

In principal, the term of office of the Corporate Governance Committee is coeval with that of the Board of Directors except that if any changes take place in the latter, the committee remains constituted until the completion of its existing term.

Insofar as is possible, the committee convenes in parallel with the Board of Directors. Committee decisions are taken by a majority vote. The committee's head keeps the Board of Directors informed about the committee's activities.

Activities

The principal activities of the Corporate Governance Committee consist of the following:

- Determines whether or not corporate governance principles are being complied with at the company and, if they are not being complied with, identifies the reasons why and also any conflicts of interest arising from less than full compliance; makes recommendations to the Board of Directors to improve corporate governance practices.
- Coordinates the activities of the Investor Relations Unit in its dealings with shareholders.
- Engages in activities to formulate a transparent system for the identification, evaluation, and training of suitable candidates for seats on the Board of Directors and determines policies and strategies related to such matters.
- Develops recommendations concerning the number of board members and managers there should be (general managers, assistant general managers, managers, assistant managers; personnel such as consultants and others who are directly responsible to the chairman or general manager).
- Identifies approaches, principles, and practices on issues related to the performance evaluation, career planning, and rewarding of company directors and managers and monitors compliance with them.

Audit Committee

Objectives

To monitor the operation and effectiveness of the company's accounting system, public disclosure of financial information, and independent auditing.

Members

Emre Duranlı	Director
Yalçın Sezen	Director (Since 30 April 2007)

Structure

The Audit Committee is formed by the Board of Directors within the framework of corporate governance principles from among members of its own body.

Committees Operating at Anadolu Hayat Emeklilik A.Ş.

The Audit Committee must consist of at least two members. Members may not hold executive positions in the company. Two company officers designated by the Board of Directors are responsible for coordinating activities between the committee and the company.

The term of office of the Corporate Governance Committee is coeval with that of the Board of Directors. The committee meets at least once every three months. Committee decisions are taken by a majority vote.

The Board of Directors is kept regularly informed about the committee's activities.

Activities

The principal activities of the Audit Committee consist of the following:

- Checks periodic financial statements and footnotes that are to be published for compliance with the requirements of laws and regulations and with international accounting standards and reports its findings to the Board of Directors along with the opinions of the independent auditor.
- Takes measures as necessary to ensure that all internal and external auditing is conducted adequately and transparently.
- Monitors the functioning and effectiveness of the company's accounting system, of the public disclosure of financial information, of independent auditing, and of the company's internal control system; monitors the selection of an independent auditor, the preparation of independent auditing agreements, the initiation of the independent auditing process, and all aspects of the activities of the independent auditor.
- After having determined that there is no issue impairing the independence of a potential independent auditor and so stated in a report, gives its preliminary approval for the selection of independent auditors and for the services to be obtained by the company from them and submits this recommendation and report to the Board of Directors.
- Examines and finalizes any complaints made to the company concerning its accounts, its internal control system, or its independent auditing; ensures that company employees examine such complaints within the framework of the principle of confidentiality.
- Monitors compliance with company policies and regulations governing conflicts of interest on the part of company directors, managers, and other employees and the abuse of insider information.

Risk Management Committee

Objectives

To formulate and oversee a risk measurement, monitoring, assessment, and control system so as to ensure that the level of risk that the company is willing to accept in order to maintain its asset quality and achieve specific gains in return is in compliance with the limits specified by insurance laws and regulations and with the company's own risk tolerance. To monitor the company's risk exposure and report on it to senior management and to the Board of Directors independently of all executive functions.

Members

Emre Duranlı	Director (Head)
Harun Reşit Alpözgen	Actuarial and Risk Management Department (Member)
N. Cem Özcan	Accounting Department (Member)
Mine Kumcuoğlu	Funds Management Department (Member)
Ender Işık	Agencies Department (Member)
A. Neyir Can	Group Life and Reinsurance Department (Member)
M. Tolga Oskay	Actuarial and Risk Management Department (Member and secretary)

Structure

This committee reports directly to the Board of Directors through its head, who is a member of the board. The Actuarial and Risk Management Department provides the committee's secretarial functions.

The Risk Management Committee's membership consists of at least the following:

- A member of the Board of Directors (Committee Head)
- Actuarial and Risk Management Department Head
- Accounting Department Head
- Funds Management Department Head
- Agencies Department Head
- Group Life Insurance and Reinsurance Department Head

Committees Operating at Anadolu Hayat Emeklilik A.Ş.

The head of the committee is a Board director. The Risk Management Committee meets regularly once a month and may convene at any time that circumstances warrant. Committee decisions are taken by a majority vote.

Minutes are kept of meetings and these are presented to the Board of Directors by the director responsible for risk management functions.

Activities

The principal activities of the Risk Management Committee consist of the following:

- Formulates the risk management strategies and policies to which the company will adhere, submits them to the Board of Directors for its approval, and monitors compliance.
- Submits its views to the Board of Directors on updating risk policies in line with changes in business conditions and with the particulars of newly developed products and services.
- Monitors the process of identifying, defining, measuring, assessing, and managing risk.
- Monitors the validity and reliability of risk measurement methods and results.
- Checks all of the company's rules, work flows, and practices for compliance with risk management policies approved by the Board of Directors and reports any disparities to the board.
- Monitors actual compliance with the authority and risk limits assigned to executive units by the Board of Directors and reports any violations to the board.
- Within the framework of the authorities and limits granted to it by the Board of Directors, authorizes exceptional limit overruns in extraordinary circumstances when there are deemed to be opportunities to take advantage of favorable market conditions and such conditions make it essential to act quickly without complying with normal limit change procedures.
- Within the framework of the authorities and limits granted to it by the Board of Directors, takes measures to undo limit overruns in situations where executive units have exceeded their limits.
- Monitors and reports on compliance with limits arising from the requirements of laws and regulations.
- Carefully assesses and monitors all the risk factors that apply to the company; examines and reports on the probable course of events in light of different scenarios.

Assessment of the Operations of the Independent Auditor during the 2007 Reporting Year

Independence of the independent (external) auditor

Periodic financial statements and their footnotes are prepared within the framework of current laws and regulations and insurance accounting standards in such a way as to show the company's true financial standing. Such statements and footnotes are independently audited and published as prescribed by law.

The company's independent auditor is rotated at regular intervals. An independent auditor is chosen to perform ongoing and/or special audits for no more than five consecutive fiscal years and at least two fiscal years must pass before a new ongoing and/or special audit agreement may be entered into with any previously employed independent auditor.

External audits at our company are performed on an entirely independent basis and its external auditors operate completely within the framework of truthfulness, professional honesty, and candor and without any involvement in a conflict of interest whatsoever. Our company's external auditors act with complete intellectual independence and are prohibited from engaging in any activities that might cause third parties to doubt their independence.

No payments are made to any independent auditor in our employ other than such fees as are reasonable in light of existing market conditions.

The factors that strengthen the independence of firms from which we obtain independent auditing services are: the existence of an Audit Committee, the possession of an effective accounting and internal audit system, and adherence to rules of ethics that give importance to truthful public disclosure of company-related matters.

The conduct of independent external audits at our company documents the truthfulness and honesty of our financial statements for the public at large and is perceived by our shareholders as a guarantee of their own interests. The independent opinion expressed by our external auditor increases the trustworthiness of our financial statements while also strengthening our company's corporate image. In line with its ethical values, our company adheres to the principle of keeping the public informed and achieving transparency in matters related to itself. By giving importance to the independence of its external auditors, the company earns the confidence of its investors and in this way seeks to be of service to the growth and development of the national economy by attracting new investors.



Yalçın Sezen
Director and Statutory Auditor



Emre Duranlı
Director and Statutory Auditor

Anadolu Hayat Emeklilik Human Resources Policy

Our company defines and conducts its human resources policy in light of our country's social, cultural, and economic conditions and with the following objectives:

- a) Ensure that personnel are selected and assigned according to the nature of the work to be done and provide work opportunities to individuals who are innovative, creative, and capable of being team players and who can keep pace with the highly competitive nature of the insurance business.
- b) Encourage employee success; provide training opportunities that increase employee knowledge and skills; reward successful performance.
- c) Employ only objective criteria in all training, appointment, and promotion decisions; provide personnel with development and progression opportunities according to their abilities.
- d) Provide personnel with working conditions that are safe and appropriate to the task at hand; provide a working environment that enhances employees' desire to work and is conducive to social interaction.
- e) Be mindful of and protect the rights of personnel; take measures to prevent discrimination among employees based on race, religion, language, or sex; create a working environment that is respectful of human rights; and prevent all physical, mental, and emotional abuse within the company.
- f) Maintain a human capital that is sophisticated in outlook, successful, happy, continuously learning, developing, and committed to both job and company.
- g) Establish effective talent development and succession systems and maintain employee satisfaction at the highest possible level in line with the company's goals so as to be the life insurance and private pension company that the qualified human resources most want to work for in the sector.

Hiring practices

The general principles and criteria adhered to by Anadolu Hayat Emeklilik in all its hiring practices are summarized below. To be hired by the company, a person must:

- a) Be a citizen of Turkey.
- b) Be at least 18 and not more than 30 years of age (age will not be a consideration when hiring specialized employees such as architects, engineers and physicians, or when hiring employees possessing expertise and experience in such departments as actuary, funds management, financial advisory, advertising and public relations).
- c) Have completed any active military service obligations if applicable or have obtained a deferment
- d) Not have been deprived of their civil rights.
- e) Never have been convicted of any of the offenses specified in insurance and private pension system law, whether or not officially pardoned.
- f) Be healthy enough to work and travel anywhere in Turkey.
- g) For service positions, hold at least a high-school diploma. For white collar positions, be a graduate of at least a two-year vocational school as defined in the applicable legislation.
- h) Be under no service obligation to any government agency or private concern.
- i) Successfully pass the qualifying examination and/or interview for the position being hired into.

Job applications

Since the day it was founded, it has been a fundamental tenet of Anadolu Hayat Emeklilik's human resources policy as a company to fill vacancies in management positions from within its own ranks. Because of this, the company only recruits personnel from outside for entry-level positions. Whenever openings in such positions are available, they are announced on the company's internet website and in newspapers. Applications for such positions may be submitted by mail, by fax, in person, and from the website. All applications that are received are placed in a single pool. The company's Human Resources and Training Department is responsible for receiving all job applications, conducting written and/or oral exams, announcing exam results, and all other recruitment-related matters.

Progression

Advancement to positions in our company's organizational structure (manager, assistant manager, II. manager, service chief, assistant service chief, clerk, specialist, assistant specialist, inspector, and assistant inspector) is governed by the company's related bylaws. The following general principles apply to all advancements.

To be promoted to a higher position:

- an employee must have served for the minimum periods of time specified by headquarters in his current position;
- the employee must have a good record capable of supporting his promotion;
- there must be a vacancy to which the employee can be promoted.
- the employee must have successfully completed whatever course, examination, thesis, project, or similar qualifying requirements that the company requires for the position.

Performance management

Performance appraisal system is in place at the company in order to measure the individual contribution of each employee in supporting the company towards achievement of its corporate objectives. In this frame, all company employees are evaluated once a year.

Anadolu Hayat Emeklilik Human Resources Policy

The performance appraisal system aims to establish objective criteria for the employees' career progressions and to determine their training needs.

Job security

Job security for our employees is provided under a collective bargaining agreement between the company and BASİSEN (Banking and Insurance Employees' Union).

Compensation policy

Employees' salaries are adjusted annually in accordance with current conditions and as specified in a collective bargaining agreement that is renewed every other year. Salaries are paid in advance at the beginning of the month. In addition to their regular monthly salaries, employees receive an annual bonus equal to four monthly salaries and also receive an additional half-pay on religious holidays. In addition to salary and bonuses, personnel are entitled to a broad range of fringe benefits such as health insurance coverage, health care assistance, employer's contributions to their Private Pension accounts, personal life insurance, and company-provided transportation and lunchtime meals.

Training

AHE Academy

The company set up the AHE Academy in order to systematize and standardize the training and development activities directed towards our employees, by incorporating the cultural aspect as well.

Through the AHE Academy, the company invests in its human capital and aims to make the customer-focused culture permanent.

Anadolu Hayat Emeklilik supports its employees' professional and personal development, offers various activities that are aligned with their career paths, and aim to equip its employees so as to enable them to look from different perspectives.

Training Programs

Company employees are provided with in-house and extramural training opportunities to foster their professional and personal development. National and international resources are made use of for these training programs.

As a company that fills management position vacancies from within its own ranks, special attention and importance are given to employee training.

When personnel are first hired, they are put through an orientation program and given training in basic insurance and private pension system issues. After this and for the rest of their careers, training is provided so that they have all the knowledge and skills they may need for whatever position they may be filling.

When preparing its annual training programs, the Human Resources and Training Department's primary goal is to develop employees' competencies in their current positions while also readying them for higher positions in the future.

Motivation

Each year, the company administers an Employee Opinion Survey (Internal Customer Opinion Survey) whose aim is to increase employees' job motivation. The results of the survey are carefully analyzed. The goal of this project is to increase company personnel productivity by maximizing employee motivation.

The "Suggestion System Regulation" has been in effect since 2006, which was formulated to encourage employees to come up with creative ideas, provide an effective way to gather and evaluate such ideas, and to reward those whose ideas were considered to be useful.

The outdoor event held regularly each year once again took place in 2007 with employees from our headquarters and regional and branch units in attendance. All employees are encouraged to bring their families to this event, whose aim is to develop in-house communication and to inculcate a strong sense of team spirit.

The Company's Transactions with its Risk Group

Data for the years 2007 and 2006 in relation to the transactions the company carried out with Group companies that take place among investments, affiliates and subsidiaries are covered in the notes to the Income Statement, numbered 5 and 6, which are appended to our 2007 Financial Statements.

Board of Directors Report

Dear Shareholders,

It is espoused as the basic philosophy of our company to offer customer-focused service achieving excellence in every aspect before its shareholders, investors and customers drawing on its structure encompassing the best practices of modern private pension and life insurance businesses; on its history, capitalization, transparent organization, and its corporate values giving the foreground to customer satisfaction, innovation and creativity; the ability to put its resources and new technologies to use towards increasing productivity; maximum involvement in social activities by a strict commitment to its social responsibilities in its activities and actions, and belief in and support to entrepreneurial team spirit. Our company has also defined it as its primary goal to carry its leadership in life insurance to the private pension segment regarded as a crucial part of the social security system capitalizing on the know-how and capital accumulation gained in the life insurance segment, and on the strength lent to it by the İşbank group, to which we belong, in line with the corporate culture and objectives of the group. It is also a key objective of the company to maintain its leadership in life insurance in the years to come and to render market leadership in private pension segment permanent by fortifying its position among the leading financial services companies of the capital market as the only publicly-floated company in the system.

- Our company's activities in 2007 were concluded successfully.
- Premium production in life insurance totaled TRY 339 million in 2007.
- Getting nearly 24% share in life insurance premium production, our company sustained its leadership in the industry by a large margin.
- Our company generated TRY 58 million financial income in 2007.
- Our company derived TRY 26 million technical profit on its activities in life branch in 2007. The company expects to be moving into technical profitability in private pensions in the medium term.
- Under the activities in the private pension segment commenced on 27 October 2003, 310,726 private pension contracts were issued for 297,662 participants and TRY 755 million were collected in contributions according to the Pension Monitoring Center data dated 31 December 2007.
- Highly outperforming the sectoral averages in the number of participants, contributions, funds and invested amounts, our company significantly increased its market share in 2007. Last year's leader in the industry in terms of the number of participants and amount of contributions generated, our company took the second place in fund size after the merger that took place in the industry.
- The number of private pension contracts, which stood at 310,726 as of 31 December 2007, is expected to reach 400,000 at the end of 2008.
- It is estimated that the uninterrupted economic growth that has been ongoing in Turkey since 2001 will be persevered also in 2007; in parallel with this estimation, growth in real terms is expected to occur in our market share, technical profitability and shareholders' equity.
- In keeping with the principle of reorganizing our company, all our sales channels, and our service delivery into a customer-focused structure, Customer Focused Transformation was launched in 2006. In this frame, the projects that will lead this initiative are rolled out on 5 main axes: "Management", "Organization", "Customer", "Information Systems", and "Change Management". To further increase the effectiveness of our organization structure, our efforts will be ongoing this year to bring operational activities particularly at the headquarters units together under a single umbrella.
- The diversity and penetration of our sales channels consisting of agents, bancassurance and direct sales force represents a key superiority of our company. Therefore, maintaining this structure, maximizing the harmony among delivery channels, and strengthening and increasing the effectiveness of each sales channel will continue to take place among our priority activities as always.
- Under this heading, efforts were continued in 2007 to improve our direct sales organization, aimed at life insurance and private pension marketing efforts.

Board of Directors Report

- On the bancassurance activities front, our collaboration continued positively and was further improved with HSBC, TEB and Anadolubank, with which agreements were signed concerning the sales of our private pension and life insurance products via their branches in 2007. Further, an agency agreement was concluded also with Bank Pozitif A.Ş. last year.
- Call Center and internet represent crucial marketing, sales and customer relations channels on which we place great strategic importance today and for the future. Special significance will be accorded to quickly and effectively fulfill our needs that will arise in the growth and development of these channels, which we believe will have even higher-profile presence in marketing, pre-sales and after-sales services, as well as in the perception of service quality.
- During 2007, Actuarial and Risk Management Department continued to issue quarterly "Risk Assessment Reports" and to undertake "Market Risk Assessment Activities" on a daily basis within the scope of actuarial and risk management efforts.
- Launched in 2006 within the scope of our social responsibility projects and conducted in conjunction with the Association for Supporting Contemporary Living (ÇYDD), the "AHE-Student Scholarships" were continued and further increased in 2007.

Our Corporate Governance Principles Compliance Report and the financial statements for 2007 are presented on the following pages for your information and approval.

We would like to take this opportunity to express our gratitude to our founder İşbank and our other shareholders, our private pension and life insurance policyholders, and our agents, all our production sources and all our employees for their contributions that made the results achieved possible.

Board of Directors

Corporate Governance Principles Compliance Report

1. Statement of compliance with corporate governance principles

Our company believes that compliance with corporate governance principles is at least as important as its financial performance and that such compliance is of great benefit from the standpoints both of the development of national and international capital markets and of the advancement of our own company's interests.

Our company seeks to achieve maximum compliance with these principles and engages in activities to do so. At present our company's articles of incorporation contain no provisions governing:

- Requests to have a special auditor appointed being granted as an individual right
- The payment of advances on dividends
- The participation of stakeholders in company management
- Use of the cumulative voting system in the election of company directors
- Decisions of a highly important nature such as changes in shares or demergers that make significant modifications in the company's capital or management structures or assets; buying, selling, leasing, renting, donating, or contributing substantial amounts of assets and property; providing guarantees, surety, mortgages, and the like to third parties being taken at a general assembly of shareholders.

Minority interests are not represented on our Board of Directors.

Although there have never been any conflicts of interest among stakeholders over the limited number of corporate governance principles that have so far not been implemented, the company desires to have them implemented within the framework of a plan in the least amount of time possible.

A determination and assessment of the level of our company's compliance with corporate governance principles and opinions concerning the development of the level of compliance in terms of scope and nature are presented below.

2. Shareholder Relations Unit

A Shareholder Relations Unit has been set up at our company.

The personnel employed in this unit and their contact information are presented below.

Name	Telephone	E-mail
O. Haluk Solak	(90212) 317 64 02	haluksolak@anadoluhayat.com.tr
N. Cem Özcan	(90212) 317 71 04	cemozcan@anadoluhayat.com.tr
Alper Eşsizoglu	(90212) 317 71 06	aessizoglu@anadoluhayat.com.tr

The head of the unit is O. Haluk Solak, who reports directly to the head of the Corporate Governance Committee.

The Shareholder Relations Unit is responsible for managing the exercise of shareholders' rights and for maintaining communication between shareholders and the Board of Directors.

The unit is to begin reporting its activities directly to the Board of Directors in the very near future.

The basic functions and duties of the Shareholder Relations Unit are the following:

- Ensure that records pertaining to shareholders are maintained in a reliable, secure, and up-to-date manner.
- Respond to shareholders' written requests for all information about the company except that which has not been publicly disclosed or is confidential and/or in the nature of a trade secret.
- Ensure that general assemblies of shareholders are conducted in accordance with the requirements of current laws and regulations and of the company's articles of incorporation and other bylaws.
- Prepare documents for the use of shareholders at general assemblies of shareholders.
- Record the results of voting at general assemblies of shareholders and ensure that such results are reported to shareholders.
- Supervise and follow up on all issues related to public disclosures as required by law and the company's public disclosure policy.

The unit received no written requests during the reporting period and all of the verbal requests for information were responded to.

Corporate Governance Principles Compliance Report

3. Shareholders' exercise of their right to obtain information

All information requested by shareholders is provided except that which is in the nature of a trade secret or has not been publicly disclosed.

Shareholders' requests for information are dealt with by employees of the Shareholder Relations Unit and responded to within the framework of the company's public disclosure policy.

Information about developments that might affect shareholders' exercise of their rights is published on the company's corporate website at www.anadoluhayat.com.tr.

In accordance with legal regulations, minority shareholding interests have the right to demand that a general assembly of shareholders appoint a special auditor to examine specific concrete issues. No request was made of a general assembly by shareholders for the appointment of a special auditor in 2007.

A request to have a special auditor appointed is not an individual right provided for under the company's articles of incorporation. In view of the fact that the appointment of a special auditor at the demand of a general assembly of shareholders is a requirement of law and that a demand to appoint a special auditor is one of the exceptions to the principle of being bound by a general assembly of shareholders agenda and furthermore in view of the practical concerns involved in protecting the confidentiality of information which is in the nature of a trade secret or which has not yet been publicly disclosed, the inclusion of an individual right to demand the appointment of a special auditor in the articles of incorporation is an issue to which consideration will be given in light of future developments.

All information necessary for shareholders to satisfactorily exercise their rights is made available to them through our corporate website, annual reports, and material event disclosures as well as by responding to individual requests.

Shareholders' requests for information about the legal and/or commercial relationships between the company and private individuals and/or corporate entities that have a direct or indirect interest in the company's capital, management, or audit are responded to within the framework of our public disclosure policy.

For the purpose of increasing the ability of shareholders to have access to information, all information that may affect the exercise of their shareholder rights is provided in an electronic environment, in an up-to-date manner, and within the framework of the Public Disclosure Platform Project.

4. Information about general assemblies of shareholders

Our company's ordinary general meeting for 2006 was held on 28 March 2007. Shareholders controlling TRY 146.77 million worth of shares corresponding to 84% of our company's TRY 175 million capitalization took part in this assembly.

No members of the media attended the general meeting.

Announcements concerning the assembly and indicating its place, date, time, agenda, and specimen proxy statement were published three weeks before the assembly date in the Turkish Trade Registry Gazette, the newspapers *Dünya* and *Referans*, and in the ISE's bulletin.

Care is given to ensure that this period of time is at least three weeks.

Information about the assembly was also sent out by registered mail to holders of registered shares within the same time frame.

All shareholders are also able to directly access information about general assemblies on our company's corporate website at www.anadoluhayat.com.tr.

Entries in the shareholders' register are made by Board of Directors resolution. No period of time is stipulated during which such entries must be made in order to ensure that registered shareholders are able to attend general assemblies.

As of the date on which the announcement of the invitation to a general assembly of shareholders is made, copies of the annual report, financial statements and reports, dividend payment proposal, the agenda, other documents pertaining to the items on the agenda, the

Corporate Governance Principles Compliance Report

current text of the articles of incorporation, and, if the articles of incorporation are to be amended, the texts and justifications of the amendments are all made available for the inspection of shareholders at the company's headquarters and regional offices.

Since 2005, such information and documents have also been accessible on our corporate website at www.anadoluhayat.com.tr.

No shareholders exercised their right to ask questions at the ordinary general meeting held in 2007.

Shareholders at the ordinary general meeting unanimously passed motions to:

- Form the presiding committee
- Forego reading the annual report out loud on the grounds that it had previously been made available for the inspection of shareholders
- Read the statutory auditors' report in full and the independent auditors' report in summary
- Read the balance sheet and profit/loss statement in main outline
- Accept the Board of Directors' proposal concerning the distribution of profits as stipulated in the annual report
- Elect members to the Board of Directors
- Approve the selection of a director made by the board to fill a vacancy resulting from the resignation of a member during the year
- Elect the statutory auditors
- Determine the salaries to be paid to the company's directors and statutory auditors.

According to the company's articles of incorporation, the Board of Directors is authorized to make material decisions involving:

- The acquisition and disposal of subsidiaries and partnerships
- Matters of a highly important nature such as the acquisition, sale, and/or construction of real estate properties on the company's behalf.

The company's articles of incorporation contain no provisions requiring that decisions of a highly important nature such as demergers or share swaps that cause substantial changes in the company's capital, management structure, or property assets or buying, selling, leasing, renting, donating, or contributing substantial amounts of tangible/non-tangible assets or providing guarantees such as surety, mortgages, etc on behalf of outside parties be taken at a general assembly of shareholders.

The absence of such provisions in the articles of incorporation is thought to be justified on the grounds that their inclusion would reduce the effectiveness of management and seriously hamper the company's competitive strength and cause important opportunities to be missed and would therefore give rise to consequences that would not be in the best interests of the company or its stakeholders.

Maximum attention is given to strictly complying with at least the minimum requirements of law so as to facilitate participation in general assembly of shareholders. It is thought that company shareholders encounter no difficulties in participating in general assemblies and to date no complaint on this issue has ever been received from a shareholder.

In general assembly of shareholders announcements care is given to clearly state:

- The date and time
- The location
- Specimen proxy statement
- Blockage Letter request
- The agenda
- Pertinent information about the items on the agenda
- If the agenda includes amendments to the articles of incorporation, the old and new texts of the amended articles that have been approved by authorities
- Who is summoning the assembly
- If another general assembly of shareholders is being called because a previous one was postponed for any reason, the reason for the postponement and the quorum that will be required at the new assembly
- If the announcement is for an annual assembly, where the annual report, financial statements, and other assembly-related documents are available for examination.

Before a general assembly of shareholders is held about changes in management or organizational activities that took place in the most recent fiscal year or are planned in future ones, information about such changes together with their justifications will be provided to shareholders.

Corporate Governance Principles Compliance Report

At such meetings, the following information and documents will be made available for the examination of shareholders:

- Explanations concerning changes in the company's organizational structure and their justifications
- If one exists, a consultancy company's report on the matter; otherwise a report on the subject prepared by the company itself
- If organizational changes are to be made in subsidiaries or affiliates, the annual reports, financial statements, and pro forma balance sheets for the three most recent fiscal years of all the companies affected by the organizational changes

When preparing agendas for general meeting, care is given to presenting each item to be voted on under a separate heading; to make the headings as clear and explicit as possible so as not to be interpreted in any other way; to refrain from including such legally prohibited items as "Other" or "Miscellaneous".

Specimen proxy statements for shareholders that wish to have themselves represented at meetings are published along with assembly announcements and are also made available for the information of shareholders in electronic format.

The principles and procedures that govern voting at the company's general assemblies of shareholders are presented below in main outline.

- Each share of stock is entitled to one vote.
- If a share of stock has more than one owner, only one of those owners or a proxy will cast the share's vote on behalf of them all.
- Shareholders may participate in general assemblies personally or may have themselves represented by a proxy.
- Voting at general assembly of shareholders is by an open show of hands. Recourse may be had to secret ballots upon the demand of shareholders representing at least one tenth of the capital present and voting.

The principles and procedures that govern voting at general assemblies of shareholders are also read out at the beginning of the assembly.

Issues that shareholders have told the Shareholder Relations Unit they wish to have included on assembly agendas will be given consideration by the Board of Directors when it prepares an assembly's agenda.

As required by law and our articles of incorporation, annual general assemblies of shareholders are held as soon as possible and within three months after the close of a fiscal year.

As required by our articles of incorporation, general assemblies of shareholders are held in the same locality as the company's headquarters and in such a way as to make it possible for all shareholders to attend.

The total number of votes and the special voting rights that may be exercised at a general assembly of shareholders are classified on the basis of shareholders and indicated in the attendance roster at the start of the assembly for the information of all shareholders.

News and analyses pertaining to disputed issues appearing in the media concerning the company are presented for the information of shareholders at general assemblies.

Questions that shareholders ask of company directors or statutory auditors are responded to provided that the answers are pertinent to the exercise of shareholder rights and do not fall within the scope of trade secrets.

The president of a general assembly of shareholders conducts the assembly effectively in such a way as to ensure that shareholders are able to exercise their rights.

In situations where a question raised by a shareholder at a general assembly cannot be addressed directly, is unrelated to the agenda, or is too complex to be responded to immediately, every effort will be made to provide a written response within one week's time at the latest.

The members of the Board of Directors, the company officers responsible for preparing the financial statements, and the statutory auditors as well as other involved parties take pains to be present at general assemblies of shareholders in order to provide information about issues of a special nature that are on the agenda.

Each item on the agenda of a general assembly of shareholders is voted on individually. To forestall any doubts about the results of voting, votes are counted and the results of the voting are announced to all shareholders before the assembly is adjourned.

Corporate Governance Principles Compliance Report

The minutes of general assemblies of shareholders are always accessible in written or electronic format on our corporate website at www.anadoluhayat.com.tr.

5. Voting rights and minority rights

According to our articles of incorporation, each share of stock is entitled to one vote.

Our company's capital is divided into Class A and Class B shares.

As of this writing, our company's issued capital amounts to TRY 175 million consisting of 100,000,000 Class A shares worth a total of TRY 1,000,000 and 17,400,000,000 Class B registered shares worth a total of TRY 174 million.

As required by our articles of incorporation, six of the members of the Board of Directors are chosen from candidates put up by Class A shareholders and three are chosen from candidates put up by Class B shareholders.

According to our articles of incorporation, new Class A shares are not issued when share capital increases take place.

No shareholder is involved in a cross-shareholding relationship with the company.

In line with the wishes of our general assembly, there is no representation of minority shareholding interests on the Board of Directors.

The articles of incorporation contain no provisions governing the cumulative voting method.

There is no upper limit on the number of votes a shareholder may cast at a general assembly.

Voting rights are acquired the moment the shares on which they are contingent are acquired. There are no rules stipulating that voting rights may be exercised only after a specific period of time has passed after shares are acquired.

Our articles of incorporation contain no provisions preventing non-shareholders from acting as proxies for shareholders. Shareholders may exercise their voting rights personally at general assemblies and may do so through any other party irrespective of the shareholder status of that party.

A non-corporate shareholder may only be represented by a single proxy at general assemblies. If a corporate shareholder is represented by more than one individual at an assembly, only one of them may cast votes. The proxy statement must identify the individual who is authorized to cast votes.

6. Dividend payment policy and timing

According to our articles of incorporation, a portion of the company's distributable profit is paid out as a first dividend at rates and in amounts determined by the Capital Markets Board.

For 2007, the Capital Markets Board has specified that at least 20% of net income subject to profit must be paid out as a first dividend and that this first dividend may be paid in cash and/or as shares of stock at the option of the general assembly of shareholders.

The dividend payment proposals that the Board of Directors submits to the general assembly of shareholders are prepared according to a policy that

- a. avoids upsetting the delicate balance between shareholders' expectations and the company's need to grow and
- b. takes the company's profitability into account.

The Board of Directors has adopted a dividend payment policy that is based on proposing to the general assembly of shareholders that at least 30% of net income subject to profit be paid out as free shares of stock or in cash.

There are no preferred stocks in the company's profit distribution.

There are no founder's shares nor is it a company practice to give shares of profits to members of the Board of Directors.

Corporate Governance Principles Compliance Report

As required by our articles of incorporation, a maximum of 3% of the total amount remaining after the first dividend has been set aside is paid out to our employees as their share of the profits, subject to a cap of three monthly salaries.

The company's dividends are paid within the legally prescribed periods of time.

The articles of incorporation contain no provisions governing the payment of advances on dividends.

There are no significant donations or grants in aid that the company made during the year or had planned to make as of year-end.

7. Transfer of shares

In our articles of incorporation there are no clauses that restrict transfer of shares.

All shareholders, including minority shareholding interests and foreign nationals are treated equally.

8. Company disclosure policy

General issues

Our company's disclosure policies are governed by the Turkish Commercial Code, Insurance Law, Private Pension Law, Capital Market Law, and the rules and regulations of the İstanbul Stock Exchange where its shares are traded. All financial information and other public statements and disclosures are also made in light of generally accepting accounting principles and corporate governance principles.

The basic objective of the company's disclosure policy is to ensure that all essential information and statements that are not in the nature of trade secrets are made available to shareholders, investors, employees, customers, and other interested parties in an equitable manner and in a way that is timely truthful, complete, intelligible, convenient and economical.

Our company takes a proactive approach on the subject of adopting and abiding by corporate governance principles and it makes a maximum effort to comply with the requirements of law and to adhere to best international practices on issues related to public disclosures and reporting. The Anadolu Hayat Emeklilik disclosure policy that was prepared within this framework has been approved and put into effect by the Board of Directors.

Authorities and responsibilities

The Board of Directors is responsible for formulating and developing the company's disclosure policy. Public disclosure policies are announced at meetings of the general assembly of shareholders and implemented by the Shareholder Relations Unit.

Company disclosure policies are implemented within a framework of continuous and close cooperation among the Board of Directors, managers responsible for financial management and reporting, and the employees of the Shareholder Relations Unit.

Public disclosure activities and the methods and vehicles used

The methods and vehicles used to make public disclosures within the framework of the Turkish Commercial Code, Insurance Law, Private Pension Law, Capital Market Law, and other laws, regulations, and administrative provisions are presented below.

- At three-month intervals, financial statements together with their footnotes and explanations that have been prepared in accordance with the rules laid down by the Republic of Turkey Prime Ministry Undersecretariat of Treasury and by the Capital Markets Board (CMB) and the independent auditors report associated with them are submitted to the İstanbul Stock Exchange (ISE) and published on our company's corporate website within the legally prescribed period of time.
- Reporting to the Republic of Turkey Prime Ministry Undersecretariat of Treasury and to the Association of Insurance and Reinsurance Companies of Turkey takes place at three-month intervals and is submitted in electronic format.
- Financial statements together with their footnotes and explanations that have been prepared in accordance with international financial reporting standards and the independent auditors report associated with them are published on our company's corporate website.
- Material event disclosures that must be made in accordance with CMB regulations are sent to ISE in due time. While material event disclosures are in principle signed by managers responsible for financial reporting, in exceptional cases, they may also be signed by the managers responsible for the units concerned before being sent to the authorities.
- In situations such as amendments to the articles of incorporation, general assemblies of shareholders, and share capital increases, announcements are made in the commercial registry gazette and in daily newspapers.
- An annual report incorporating all essential information is prepared in Turkish and English every year and made available for shareholders to examine and published on our website (www.anadoluhayat.com.tr) before the general assembly of shareholders for the year is held. An electronic version of the annual report on CD may also be obtained from the Shareholder Relations Unit.

Corporate Governance Principles Compliance Report

- The company does not hold press conferences etc on a regular basis. When need be or if it appears necessary to respond to requests from the press, public statements are made in writing and through the visual media. Written and visual media public statements may only be made by the company chairman, the general manager or the deputies or by other company officers designated by them.
- Information is supplied to shareholders and other interested parties through teleconferences that are held from time to time. These teleconferences are coordinated by the Shareholder Relations Unit.
- Information is supplied to shareholders and other interested parties through investor meetings and visits conducted in Turkey and abroad. To the degree possible, these road-shows are conducted by the Shareholder Relations Unit and they are taken part in by the general manager, by company officers responsible for financial management and reporting, and by employees of the Shareholder Relations Unit. In situations where it is deemed to be necessary, these contact teams may be further augmented.
- The Shareholder Relations Unit responds to e-mail requests for financial statements and other pertinent information made by shareholders, rating agencies, and organizations preparing research reports about the company.
- In the "Investor Relations" section of our website (www.anadoluhayat.com.tr) there is detailed information and data about our company's corporate profile. The corporate website is managed and kept up to date by the Shareholder Relations Unit. All questions directed to the company by shareholders and other interested parties by e-mail, letter, telephone, etc are responded to as quickly as possible under the coordination of the Shareholder Relations Unit.

Other disclosures

Disclosures other than the ones indicated above are made under the signature of company officers within the designated limits of their individual authorities.

The Anadolu Hayat Emeklilik corporate website (www.anadoluhayat.com.tr)

Our company makes active and intensive use of its corporate website in public disclosures and announcements. This website contains all the information and data required by corporate governance principles and regulatory authorities. The website also contains information about the company's shareholder structure, subsidiaries and affiliates, corporate structure, statement of compliance with corporate governance principles, agendas of general assemblies of shareholders, general assembly attendance rosters, and information and forms concerning participation in general assemblies. Also available on the website are the company's public disclosure policy, rules of ethics, and published material event disclosures. Care is continuously given to keep the corporate website up to date.

9. Disclosure of material events

The company made 20 material event disclosures during 2007 as required by CMB regulations.

There were no material event disclosures that were not made in due time or for which either CMB or ISE demanded additional information.

N. Cem Özcan, an officer of the Shareholder Relations Unit, is responsible for overseeing and following up on all issues related to public disclosure. Investors, financial analysts, media representatives, etc in need of information about the company are directed to the Shareholder Relations Unit.

In addition the public is continuously kept informed and up to date:

- in line with the principle of transparency and in keeping with the accounting principles to which we adhere and with the truthful reporting of financial results
- on developments that might have an impact on the value of the company's capital market vehicles, without delay and within the periods of time prescribed by law
- on all essential information subject to the reservations provided for by laws and regulations in situations where a significant change takes place in the company's financial standing and/or its activities or where such a change is expected in the near future,
- on any changes or developments subsequently emerging with respect to public announcements that the company has already made.

Corporate Governance Principles Compliance Report

10. Disclosure of ultimate non-corporate controlling shareholders

There are no ultimate non-corporate controlling shareholders in our company.

The current shareholder structure of our company is shown below.

Shareholders	Capital (TRY)	%
Türkiye İş Bankası A.Ş.	108,500,000	62
Anadolu Anonim Türk Sigorta Şti.	35,000,000	20
Millî Reasürans T.A.Ş.	1,750,000	1
Fortis Bank A.Ş.	1,750,000	1
Others	28,000,000	16
Total	175,000,000	100

11. Public disclosure of those who may have access to insider information

Every precaution has been taken to prevent the misuse of insider information. The managers and other individuals and organizations which provide us with service that might have access to information that could affect the value of our company's capital market vehicles are given below.

Employer	Name	Position
Türkiye İş Bankası A.Ş.	M. Sırrı Erkan	Chairman
-	Onur Ökten	Deputy Chairman
Anadolu Hayat Emeklilik A.Ş.	Mete Uğurlu	Director and General Manager
Türkiye İş Bankası A.Ş.	Senar Akkuş	Director
Türkiye İş Bankası A.Ş.	Yalçın Sezen	Director
Türkiye İş Bankası A.Ş.	Emre Duranlı	Director
Türkiye İş Bankası A.Ş.	Süleyman Kalkan	Director
Türkiye İş Bankası A.Ş.	Erdal İnceler	Director
Türkiye İş Bankası A.Ş.	Serdar Gençler	Director
Türkiye İş Bankası A.Ş.	Hüray Böke	Statutory Auditor
Türkiye İş Bankası A.Ş.	Y.Gürkan Öztoprak	Statutory Auditor
Anadolu Hayat Emeklilik A.Ş.	M. Afşin Oğuz	Assistant General Manager
Anadolu Hayat Emeklilik A.Ş.	M. Uğur Erkan	Assistant General Manager
Anadolu Hayat Emeklilik A.Ş.	E. Murat Yüksel	Assistant General Manager
Anadolu Hayat Emeklilik A.Ş.	O. Haluk Solak	Assistant General Manager
Anadolu Hayat Emeklilik A.Ş.	Orhan Bozkurt	Assistant General Manager
Anadolu Hayat Emeklilik A.Ş.	M. Selahattin Bayraktaroğlu	Head of the Board of Inspectors
Anadolu Hayat Emeklilik A.Ş.	M. Ender Işık	Agencies Manager
Anadolu Hayat Emeklilik A.Ş.	Harun R. Alpözgen	Actuarial and Risk Management Manager
Anadolu Hayat Emeklilik A.Ş.	Nilgün Kılıçuzar	R&D Manager
Anadolu Hayat Emeklilik A.Ş.	Saadettin Yıldız	Assistant IT Manager
Anadolu Hayat Emeklilik A.Ş.	Tuna Uğun	Private Pension Manager
Anadolu Hayat Emeklilik A.Ş.	Yaşar Kaval	Individual Life Insurance Manager
Anadolu Hayat Emeklilik A.Ş.	Mine Kumcuoğlu	Assistant Funds Management Manager
Anadolu Hayat Emeklilik A.Ş.	A. Neyir Can	Group Life Insurance and Reinsurance Manager
Anadolu Hayat Emeklilik A.Ş.	Cengiz Aytekin	Legal Consultant
Anadolu Hayat Emeklilik A.Ş.	Seval Akarçay	Corporate Marketing Manager
Anadolu Hayat Emeklilik A.Ş.	Betül Çığır	Communications Consultant
Anadolu Hayat Emeklilik A.Ş.	Ufuk Seydi İşli	Assistant Human Resources and Training Manager
Anadolu Hayat Emeklilik A.Ş.	İ. Hakkı Altay	Customer Relations and Operations Manager
Anadolu Hayat Emeklilik A.Ş.	N. Cem Özcan	Assistant Accounting Manager
Anadolu Hayat Emeklilik A.Ş.	Mehmet Kaygusuz	Assistant Accounting Manager
Anadolu Hayat Emeklilik A.Ş.	Yeşim Gönüldenik	Assistant Legal Consultant
Anadolu Hayat Emeklilik A.Ş.	Özlem Işık	Assistant Retail Marketing Manager
Anadolu Hayat Emeklilik A.Ş.	Uğur Erdoğan	Maturity Payments Manager
Anadolu Hayat Emeklilik A.Ş.	Mustafa Tuğay	Aegean Regional Manager
Anadolu Hayat Emeklilik A.Ş.	Alpar Dinçer	South Anatolia Regional Manager
Anadolu Hayat Emeklilik A.Ş.	M. Metin Sağsöz	Central Anatolia Regional Manager

Corporate Governance Principles Compliance Report

Employer	Name	Position
Anadolu Hayat Emeklilik A.Ş.	Hamza Ekinci	İstanbul 1. District Manager
Anadolu Hayat Emeklilik A.Ş.	Ömer Nakış	İstanbul 2. District Manager
Anadolu Hayat Emeklilik A.Ş.	Ömer Madencioğlu	Marmara Regional Manager
Anadolu Hayat Emeklilik A.Ş.	Murat Çora	TRNC Branch Manager
DRT Yeminli Mali Müşavirlik A.Ş. ve Bağımsız Denetim A.Ş.		Tax Audit and Full Certification

12. Keeping stakeholders informed

Care is given to keeping stakeholders—those who have an interest in our company and include shareholders, employees, creditors, customers, suppliers, a non-governmental organizations, the government, and potential investors in our company—informed on issues concerning our company that are of interest to them in writing. The company's relationships with stakeholders are governed by written agreements.

In situations where the rights of stakeholders are not governed by law or contract, the company safeguards them within the framework of the rules of good faith, to the degree possible, and mindful of the company's own reputation.

13. Stakeholder participation in management

Our company's articles of incorporation contain no provisions governing stakeholder participation in management.

Regulations governing suggestions made by company employees have been prepared. Employee suggestions for innovations and improvements will be evaluated within the framework of these regulations and put into effect in the company.

The company meets with its agents twice a year at which time they are informed about the company's activities, their suggestions are heard, and successful agents are rewarded.

14. Human resources policy

The principles of the human resources policy adopted by our company are set out below.

Job descriptions and assignments and performance criteria are determined by management and will be announced to employees.

When hiring, it is a principle that individuals are to be given equal opportunity under identical conditions. Hiring criteria are set forth in writing for each job position and are strictly complied with in practice.

When making training, assignment, and promotion decisions, particular care is given to making use of objective criteria and to protecting the company's best interests.

Training plans are developed and implemented so as to enable our employees to improve their knowledge and skills.

Our company's employees are members of the Union of Bank and Insurance Workers.

A secure work environment and safe working conditions are provided by our company. Work is currently in progress to further improve these conditions in line with social and technological requirements.

Our employees are kept informed about any company decisions that are made and about developments that may be of concern to them.

Measures are taken to prevent discrimination among employees on the basis of race, religion, language, or sex; to ensure respect for human rights; and to protect employees against physical, mental, or emotional abuse in the workplace.

No representative has been appointed to conduct company-employee relations.

Corporate Governance Principles Compliance Report

15. Relations with customers and suppliers

Our company's quality policy is a commitment to offer and ensure the continuity of high-quality products and services by deploying a staff of specialized and experienced people, strong technological and financial infrastructures, an approach that focuses on continuous development and improvement, and an experienced and extensive agency network.

Our company is mindful of the continuity of service quality and standards in all stages of life insurance and private pension products and services. Customers' wishes are quickly satisfied and customers are kept informed whenever delays may occur.

Care is given to protecting the integrity of customers' and suppliers' confidential information of which the company becomes aware.

16. Social responsibility

Mindful of the country's interests and in its awareness of its social responsibility, Anadolu Hayat Emeklilik has worked for the benefit of the life insurance industry and the private pension system in Turkey ever since the day the company was founded.

17. Structure and formation of the Board of Directors; non-executive directors

The Board of Directors consists of non-executive members except general manager.

The positions of general manager and company chairman are held by different people.

As there are no ultimate non-corporate controlling shareholders in our company, it is thought that all the members of the Board of Directors are naturally able to act with complete independence and have the advantage of acting impartially in their decisions by holding the interests of the company and its stakeholders above everything else.

Information about the company's directors and general manager is presented below.

Educational Background Current Employment Status							Years of Professional Experience
Name	Title	University	Faculty & Department	Company	Position		
M. Sırrı Erkan	Chairman	Ankara University	Faculty of Political Science / International Relations	Türkiye İş Bankası A.Ş.	Deputy Chief Executive Officer	28	
Onur Ökten	Deputy Chairman	Adana High School for Boys	-	-	-	36	
Mete Uğurlu	Director-General Manager	Middle East Technical University	Faculty of Administrative Sciences / Business Administration	Anadolu Hayat Emeklilik A.Ş.	General Manager	30	
Süleyman Kalkan	Director	Ankara University	Faculty of Administrative Sciences / International Relations	Türkiye İş Bankası A.Ş.	Branch Manager	25	
Yalçın Sezen	Director	Middle East Technical University	Faculty of Economic and Administrative Sciences / Public Administration	Türkiye İş Bankası A.Ş.	Section Manager	20	
Emre Duranlı	Director	Hacettepe University	Faculty of Economics and Administrative Sciences / Business Administration (English)	Türkiye İş Bankası A.Ş.	Assistant Section Manager	12	
Serdar Gençer	Director	Middle East Technical University	Faculty of Engineering / Industrial Engineering	Türkiye İş Bankası A.Ş.	Section Manager	18	
Senar Akkuş	Director	Middle East Technical University	Faculty of Economic and Administrative Sciences / Economics	Türkiye İş Bankası A.Ş.	Section Manager	17	
Erdal İnceler	Director	Middle East Technical University	Faculty of Economic and Administrative Sciences / Economics	Türkiye İş Bankası A.Ş.	Section Group Manager	18	
Hüray Böke	Statutory Auditor	Middle East Technical University	Faculty of Economic and Administrative Sciences / Business Administration	Türkiye İş Bankası A.Ş.	Section Group Manager	22	
Y.Gürkan Ötoprak	Statutory Auditor	Middle East Technical University	Faculty of Engineering / Petroleum Engineering	Türkiye İş Bankası A.Ş.	Section Group Manager	20	

Corporate Governance Principles Compliance Report

In the fulfillment of its decision-making functions, the Board of Directors' fundamental concerns are to:

- Maximize the company's market value
- Ensure that the company's activities are conducted in such a way as to secure long-term, stable gains for its shareholders
- Maintain the delicate balance between shareholders' expectations and the company's need to grow.

When choosing new members to fill vacancies on the board attention is given to the following matters.

- Candidates are required to be present at general assemblies of shareholders at which board elections are to be held.
- Shareholders are provided with complete information about candidates.
- Shareholders have the right to put questions to candidates.
- Candidates are required to inform shareholders about what, if any, seats they hold on the boards of other companies and state whether or not they will comply with company regulations about such matters.

Attention is given to the conduct of regular board meetings, which are held at least once a month.

Because they are the representatives of corporate shareholders, the law does not require the members of the Board of Directors to be shareholders in the company themselves.

For the same reason, the usual requirement of directors to entrust shares of stock to the company as guarantees are fulfilled by the corporate entities that board members represent.

Amount of company shares held by the Board directors is negligible.

Our company's articles of incorporation contain no provisions governing the use of the cumulative voting system in the election of members of the Board of Directors.

18. Qualifications of company directors

Because their qualifications are stipulated by law, our company's articles of incorporation contain no other provisions governing the minimum qualifications required to be elected to a seat on the board.

By law, the general managers of insurance companies must have at least four years of university education and at least ten years of experience in one or more of the disciplines of insurance, banking, economics, business administration, accounting, law, public finance, mathematics, statistics, or engineering. More than half of the directors of an insurance company must have at least four years of university education and have knowledge and experience in at least one of the same disciplines.

All of the members of the board of directors have at least the following qualifications:

- A satisfactory level of knowledge and experience in banking and/or insurance
- Financial statement and report reading and analysis skills
- Basic knowledge about the legal framework governing our company and about the conditions of its market
- The willingness and ability to regularly take part in board meetings during their elected term of office.

Our board consists of nine members and this number makes it possible for the board's activities to be organized effectively.

A newly-elected member of the board takes part in an orientation program that includes:

- Becoming acquainted with company managers and visiting company units
- Reviewing company managers' backgrounds and performance evaluations
- Being familiarized with the company's strategic goals, current standing, and problems
- Examining the company's market share, financial structure, and performance indicators.

While there are no specific rules concerning board members' undertaking other duties outside the company, no company director has any duties other than the ones naturally incumbent upon them in the corporate entities they represent and in the organizations belonging to the corporate entities they represent.

Corporate Governance Principles Compliance Report

19. Mission, vision, and strategic goals of the company

The Company's:

- vision is to be the leading company in Turkey in all aspects of financial planning that are of concern to the future of Turkey and the Turkish people.
- mission is to develop and inculcate in people an awareness of the need to safeguard their own futures and the futures of their loved ones; to offer financial solutions that eliminate people's doubts about the future and enhance the quality of their lives; and to contribute to the development of the national economy by creating long-term financial resources.

Our strategic goals are determined by management taking into account competitive conditions, the overall economic situation, general expectations in national and international financial markets, and the company's medium and long-term objectives and presented to the Board of Directors for its approval.

These strategies and goals are debated thoroughly and comprehensively by the board.

Performance with respect to approved strategies and goals is regularly reviewed at monthly board meetings at which the company's activities, financial structure, and related issues are assessed and evaluated.

In order to effectively and continuously carry out its supervision and control functions, the Board of Directors in principle meets every month. At such meetings, consideration is given to the company's activities, the degree to which the approved annual budget and business targets are being achieved, the position of the company in its sector, its financial structure and performance standing, and the compliance of its reporting and activities comply with international standards.

20. Risk management and internal control mechanisms

Our company has a board of inspectors and a risk committee that report directly to the Board of Directors.

As part of a project to restructure the company's risk management system and processes, the name of the Actuarial Department was change to "Actuarial and Risk Management Department". In addition, a risk catalogue showing the risks to which the company is exposed on account of its practices, procedures, and work flows has been composed and risk policies have been approved by the Board of Directors and put into effect. The risks to which our company is exposed are reported in a "risk assessment report" that is prepared regularly by the Actuarial and Risk Management Department. Compliance with the market risk limits set by the Board of Directors is reported on a daily basis by the same department.

21. Authorities and responsibilities of company directors and executives

The authorities of the Board of Directors are set forth in the company's articles of incorporation, according to which the board is responsible, among other things, for:

- Entering into and terminating agency, branch, and representative agreements and determining their conditions
- Entering into proxy, coinsurance, representative, and agency agreements with other insurance and reinsurance companies
- Determining the dates on which the company will begin and cease to be active in private pensions and in different insurance branches
- Determining the terms of pension, insurance, and reinsurance contracts
- Entering into and terminating pension, insurance, and reinsurance contracts
- Establishing companies involved in private pensions and insurance; acquire stakes in existing companies or in companies that are to be set up
- Establishing private pension funds
- Entering into reconciliation, quittance, and arbitration agreements.
- To achieve the companies' aims and increase the value of its capital and reserves, buying, selling, constructing properties of any kind; borrowing against mortgages on the company's real estate properties and establishing and terminating any and all real rights over them.

The Board of Directors exercises its authorities fully cognizant of all information needed to fulfill its duties, prudently, and within the framework of the rules of good faith.

As stipulated in our articles of incorporation, the general manager is responsible for the day-to-day conduct of the company's business within the framework of the principles and limits set by the Board of Directors.

Authorities concerning the conduct of the company's business are delegated to executive organs within the framework of the company's published powers of signature.

Corporate Governance Principles Compliance Report

The sanctions that are to be imposed in the event of illegal or irregular acts on the part of employees are set forth in the collective bargaining agreement and in the personnel regulations approved and put into effect by the board.

The members of the board devote a sufficient amount of their time to the company's business.

The board has taken necessary precautions to ensure that information about the company that is not to be publicly disclosed or is in the nature of trade secrets is not divulged outside the company.

Periodic financial statements and the company's annual report are published with the board's approval.

In addition to its basic functions, the Board of Directors also takes the opinions and recommendations of executive organs and committees into account in the fulfillment of its responsibilities such as:

- Approving the company's annual budget and business plans
- Having the company's annual report prepared and finalizing it for presentation to the general assembly of shareholders
- Ensuring that general assemblies of shareholders are held in accordance with the requirements of law and the company's articles of incorporation
- Carrying out the decisions made at general assemblies of shareholders
- Checking significant expenditures that amount to more than 10% of the company's most recent balance sheet
- Approving manager career plans and reward programs
- Determining policies related to shareholders, stakeholders, and public relations
- Determining the company's public disclosure policy
- Determining company and employee rules of ethics
- Determining the working principles of committees and ensuring that committees are effective and productive in their work
- Taking measures to ensure that the company's organizational structure is able to respond to current needs
- Examining the activities of predecessor boards of directors.

22. Operating principles of the Board of Directors

A draft of the agenda for a board meeting is prepared by the general manager and finalized in line with the recommendations of the chairman and other directors.

The company's board convened ten times during 2007.

Special care is given to setting meeting dates that will allow all board members to attend and to hold the meetings with all members in attendance except in unforeseen exceptional cases.

As a rule, at each regular meeting of the board, the date of the next scheduled meeting is set and members are subsequently reminded of this in writing.

A secretariat has been set up that is responsible for keeping the company's directors and statutory auditors informed and for communicating with them.

Dissenting votes at board meetings and the justifications for them are entered into the meeting's minutes and the statutory auditors are notified of this situation as well. No company director cast a dissenting vote at any board meeting in 2007.

All members of the Board of Directors take particular care to be present at meetings dealing with important issues related to the company's activities such as:

- Determining businesses that the company is to engage in and approving business and financial plans
- Summoning ordinary and extraordinary general assemblies of shareholders and taking care of matters related to their organization
- Finalizing the annual report that is to be submitted at a general assembly of shareholders
- Electing the chairman and deputy chairman and appointing new members
- Creating and terminating administrative units
- Appointing and dismissing general managers
- Setting up committees

Corporate Governance Principles Compliance Report

- Approving mergers, demergers, and restructurings; selling all or any more than 10% of the company's non-current assets or undertaking investments amounting to more than 10% of them; approving expenditures amounting to more than 10% of the company's total assets
- Determining the company's dividend payment policy and how much of current profit is to be paid out as a dividend
- Increasing or reducing the company's capitalization.

A board's first meeting is preferably held on the same day that it is elected into office.

At this first meeting, the chairman and deputy chairman are elected, duties are assigned, and committees are formed.

In principle, board members take part in all meetings.

Save for exceptional cases, the board meets regularly at least once a month as previously scheduled and occasionally as circumstances seem to warrant.

Information and documents pertaining to items on the board's agenda are normally sent out to members for them to examine at least one week before the meeting date. In situations where this is not possible, every effort is made to ensure that all members are equally informed about the matters involved.

Each board member is entitled to a single vote. All directors' votes carry equal weight and no director has a positive or negative veto power.

As stipulated in our articles of incorporation, the board convenes with a simple majority of its membership and decisions are passed by a simple majority of those present.

23. Prohibition on doing business or competing with the company

Company directors engage in no activities which would be subject to any prohibition on doing business or competing with the company and which would therefore require them to obtain the prior permission of the shareholders at a general assembly.

24. Rules of ethics and the principles of their implementation

Anadolu Hayat Emeklilik is a publicly-traded joint-stock company that is active in life insurance and private pensions. In achieving its productivity, profitability, and continuous growth targets, the company abides by all current laws and regulations and its actions are governed by a framework created from the corporate culture and business principles of the group of which it is a member and from the rules of ethics set forth below. Every company employee at every level is charged with abiding by these rules of ethics and complying with them in whatever new business or organizational structures may be developed. In general the company's activities are to be conducted in a manner that is in compliance with the law, honest, impartial, trustworthy, transparent, and socially responsible.

Compliance with laws

In all of the activities undertaken by company employees, full compliance with the legal framework by which the company is governed as well as with the company's own regulations is a requirement.

Social and corporate interests

Company employees are charged with being financially, physically, and intellectually mindful of the interests and reputation of the country, society, the sector, the corporate group, and the company at every stage and with giving maximum attention and care to take all necessary precautions to avoid harming social and corporate interests or to have such precautions taken.

Scope of the rules of ethics

Company employees are charged with abiding by the rules of ethics and with ensuring that they are abided by without exception. Neither the company nor any of its employees may breach these rules in any decision or action.

Maintenance of records and documents

In the maintenance of the company's financial and operational records and in its internal and external reporting, there is to be full compliance with the requirements of law and with the principles of accountability, certitude, and reconcilability.

Relations with shareholders, employees, business partners, and suppliers

1. The company is obliged to provide all of its shareholders with all of the rights and benefits set forth in the company's articles of incorporation in the most correct, fastest, and most transparent way possible irrespective of the dimensions of shareholding interests.

2. The company is obliged to display an attitude that is fair, trustworthy, prudent, and responsible in its dealings with its policyholders, private pension holders, suppliers, competitors, and employees.

Corporate Governance Principles Compliance Report

3. The company is respectful of its employees' personal rights and freedoms and recognizes that the individual talents and abilities of its employees are the key to its own success. For this reason, all employees are provided with full professional and technical training opportunities to advance themselves.

4. The company is obliged to take all possible measures to ensure that its employees are able to fulfill their duties and responsibilities with the highest commitment to service and in a workplace that is safe and healthy.

5. The company is obliged to take all necessary measures to prevent confidential information from being divulged illegitimately and to take all necessary action within the framework of these rules of ethics against those who do otherwise.

6. Neither the company nor its employees may divulge any confidential information about its shareholders, business partners, suppliers, employees, or customers unless required by law to do so nor may they make use of such information in such a way as to gain any advantage for themselves.

7. The company's employees are aware that in order to maximize their productivity, they must be mindful of harmonious workplace relations must develop their technical and professional skills, and must act within a framework of mutual respect, courtesy, and conscientiousness.

8. No company employee may accept any gift from any policyholder, private pension holder, supplier, or sales organization. The company's senior management is responsible for the identification and enforcement of guidelines governing the giving of gifts that are transparent and straightforward and also mindful of the company's interests.

9. The company's employees carefully examine complaints received from policyholders, private pension holders, agents, and other individuals and organizations and they deal with them as quickly as possible within the framework of the company's public disclosure policy.

10. The company's employees refrain from saying or doing anything that would create an unfavorable opinion about other companies in the sector and their employees.

Corporate communication policy

1. The company's internal and external corporate communication policy is governed by and implemented within the framework of its rules of ethics.

2. The company acts out of an awareness of its social responsibilities in its sponsorships. Environmental awareness and social benefit are basic elements of the company's corporate communication policy.

3. The company never employs statements in its advertising or other corporate communications that are disparaging of other companies in the sector or of their products or services.

25. Number, structure, and independence of committees established by the Board of Directors

Our company has set up a committee responsible for audit and a committee responsible for corporate governance. Each committee consists of two non-executive directors. Our Board directors, as a principle, do not undertake duties in several committees.

Work is currently in progress on developing written principles governing the activities of existing committees and on setting up a strategic planning committee, a reconciliation committee, a human resources and merit award committee, and an ethics committee.

As there are no ultimate non-corporate controlling shareholders in our company, it is thought that all the members of the Board of Directors are naturally able to act with complete independence and have the advantage of acting impartially in their decisions by holding the interests of the company and its stakeholders above everything else.

26. Financial benefits provided to the Board of Directors

Company directors receive no financial benefits other than the honorarium that is paid to them.

The amount to be paid as an honorarium is determined by shareholders at a general assembly.

No company director is or has ever been the direct or indirect recipient of any cash loan or non-cash credit extended by the company.

Assessment on Financial Information and Risk Management

Anadolu Hayat Emeklilik A.Ş.

Statutory Auditors' Report

To the General Meeting of Anadolu Hayat Emeklilik A.Ş.;

Name of Partnership	Anadolu Hayat Emeklilik A.Ş.
Headquarters	İstanbul
Registered Capital	TRY 300,000,000
Paid-in capital	TRY 175,000,000
Principal Business Activity	Insurance
Names and terms of office of Statutory Auditors, their relation to the Company (employed/partners or not)	Hüray Böke Gürkan Öztoprak Period of office is 1 year. The auditors are neither shareholders nor employees.
Number of meetings of the Board of Directors and Auditing Board attended	All meetings
Extend, scope and frequency of examinations of the Company's records and legal books of account, dates of examination and conclusions reached	There have been advisory consultations made regarding the accounting records on a continuous basis. The records of the year have been controlled in detail and necessary audits and controls were implemented as of the ending year balance sheet and income/loss statements.
Number and results of cash counts performed at the cashiers office pursuant to article 353:1-3 of the Turkish Commercial Code and resolutions	The cash counts made on a quarterly basis and resolved the cash total was in accordance with the records.
Date of examinations conducted pursuant to article 353:1-4 of the Turkish Commercial Code and resolutions	The books of the Company have been examined regularly and the status of valuable documents were inspected was resolved that all are in compliance with the records.
Complaints and charges of fraud of which the Company was advised and actions taken against them	The Company was not advised of any complaints or any charges of fraud.

We have audited the financial statements and accounting data of Anadolu Hayat Emeklilik A.Ş. for the period 01 January 2007-31 December 2007 according to the Turkish Commercial Code, the Company's Articles of Association and other regulations in compliance with generally accepted accounting principles. In our opinion the accompanying balance sheet and income statement reflect the results of this period fairly and accurately and the profit distribution proposal is in accordance with existing laws and the Company's Articles of Association.

We hereby submit the Balance Sheet and Income Statement for your approval and recommend that the Board of Directors be released from liability with regard to operations and accounts for the year 2006.



Statutory Auditor
Hüray Böke



Statutory Auditor
Gürkan Öztoprak

Anadolu Hayat Emeklilik A.Ş.

Assessment of the Board of Inspectors' Activities in 2007

Pursuant to Article 3, paragraph 1, subparagraph (d) of the "Regulation on Amendments to the Regulation concerning Foundation and Operation Principles of Insurance and Reinsurance Companies" enforced upon its publication in the Official Gazette issue 25359 dated 27 January 2004, it is stipulated that insurance and reinsurance companies must set up, maintain and develop internal audit systems in their organizations, which are aligned with the scope and nature of their respective activities, and possess the qualities, adequacy and efficiency to respond to changing conditions. The Board of Inspectors carries out its activities comprehensively in this frame.

Under the Board of Directors resolution passed on 31 May 2007 and numbered 430/2, it has been decided as follows:

- The "Board of Internal Audit" reporting to, and responsible towards, the Board of Directors will continue to carry out its activities under the name "Board of Inspectors".
- The "Head of the Board of Internal Audit" will be renamed the "Head of the Board of Inspectors".
- The title of the "Board of Internal Audit Regulation", which sets out the requirements for being assigned to the Board, operating principles of the Board members, and the principles governing appointment, progression, development and personnel rights, will be changed to the "Board of Inspectors Regulation", including the names referring thereto within the said regulations.
- As a result of the transformation of the Board of Internal Audit to the Board of Inspectors, the titles of individuals serving on the Board previously as internal auditors or assistant internal auditors will be changed to inspectors or assistant inspectors respectively.

The Board of Inspectors conducts its activities in accord with the "Circular on the Internal Audit Systems of Insurance and Reinsurance Companies" which came into force by the Republic of Turkey, Prime Ministry, Undersecretariat of Treasury resolution dated 29 September 2004, numbered B.02.1.HM.0.SGM.0.3.1.1 and which is concerned with the implementation of the internal audit system.

The Board of Inspectors carries out the onsite auditing of all units at the headquarters, regional departments, branches and liaison offices at least once a year, of all agents at least once in three years, and of agents having an exceptionally high share in total premium production or having unusually low collection ratios at least once a year. These audits are performed in line with the audit program prepared by the Board and approved by the Board of Directors. In addition to these regular inspection functions, the Board of Inspectors is also responsible for conducting investigations and examinations.

During 2007, the Board inspected a total of 25 units (18 headquarters units, and 7 regional departments and branches) and issued 9 investigation reports and 1 examination report.

Agency inspections were also continued during 2007 as required by the "Circular concerning the Internal Audit Systems of Insurance and Reinsurance Companies". Under this program, 202 agencies were inspected last year.

Reports of the findings of the Board of Inspectors' inspections, investigations, and examinations are submitted by the Board to the Board of Directors. This makes it possible for the Board of Directors to keep close track of the activities of the Board of Inspectors. In 2007 the Board of Inspectors was staffed by 13 inspectors and assistant inspectors. The members of the Board of Auditors received a total of 320 hours of professional training aimed at supporting their professional development and increasing their professional knowledge.

Changes are being made in the inspections performed and the inspection reports subsequently issued as needed to bring them into compliance with "international internal audit standards" and to make them more risk-based and compatible with current conditions.

The Board continues to work in line with its mission to add value to our company and to create in the long run the ideal manager pool for the company, through the investments made in its human resource. Based on the principal approach aiming maximization of benefit from auditing, best efforts are spent to carry out the activities within the scope of the inspection program prepared and other activities outside this scope.



M. Sirri Erkan
Chairman of the Board of Directors

Anadolu Hayat Emeklilik A.Ş.

General Meeting Agenda

2007 ORDINARY GENERAL MEETING OF SHAREHOLDERS
27 MARCH 2008, THURSDAY, COMPANY HEADQUARTERS, 15:00 hours

AGENDA:

1. Opening the meeting, electing a presiding committee, and authorizing the presiding committee to sign the minutes of the general meeting.
2. Reading and deliberating the 2007 reports by the Board of Directors, statutory auditors, and independent auditor.
3. Examining and approving the balance sheet and profit & loss statement for 2007.
4. Individually acquitting each of the company's directors and statutory auditors of their fiduciary responsibilities for the company's activities and transactions in 2007.
5. Deliberating and voting on the Board of Directors' proposal concerning manner and date of the distribution of 2007 profits.
6. Approving the appointments made during the year pursuant to article 315 of the Turkish Commercial Code and article 10 of the articles of incorporation to fill vacancies on the Board of Directors.
7. Electing the members of the Board of Directors and determining their terms of office.
8. Electing the statutory auditors.
9. Approving the monthly salaries to be paid to company directors and statutory auditors.
10. Petitions.

Anadolu Hayat Emeklilik A.Ş.

Statement of Profit Distribution for the Year (TRY)

	CURRENT PERIOD 2007	PRIOR PERIOD 2006
1- Paid-in / Issued Capital	175,000,000	175,000,000
2- Total Legal Reserves	36,390,595	34,696,300
3- Profit for the Period	57,091,267	30,853,148
4- Taxes Payable (-)	11,610,055	5,567,714
5- Net Profit for the Period	45,481,212	25,285,434
6- Losses in Prior Years (-)	-	-
7- First Legal Reserves (-)	2,219,160	1,311,758
8- Distributable Profit of the Investments (*) Subject to Consolidation for which Profit Distribution Decision is not Made (-)	-	-
9- Net Distributable Profit for the Period	43,262,052	23,973,676
10- Donations during the Fiscal (+)	210,225	
11- Net Distributable Profit for the Period including Donations, based on which First Dividend will be Computed	43,472,277	23,973,676
12- First Dividend to Shareholders		
- Cash	8,694,455	4,794,735
- Bonus Shares		
- Total	8,694,455	4,794,735
13- Dividends Distributed to Owners of Privileged Shares	-	-
14- Dividends Distributed to Board of Directors Members, Employees, etc.	1,037,028	575,368
15- Dividends Distributed to Owners of Redeemed Shares	-	-
16- Second Dividend to Shareholders	26,305,545	7,205,265
17- Second Legal Reserves	728,703	382,537
18- Statutory Reserves	3,353,057	1,860,357
19- Special Reserves	-	-
20- Extraordinary Reserves	3,143,264	9,155,414
21- Other Resources to be Distributed		
- Previous Year Profit		
- Extraordinary Reserves		
- Other Distributable Reserves as per		
- the Law and the Articles of Association		

(*) The term "investment" is used so as to refer to the parent company's associates, subsidiaries and joint ventures.

EARNINGS PER SHARE

For each Class A share certificate with a nominal value of Ykr 1	TRY 0.00085714
For each Class B share certificate with a nominal value of Ykr 1	TRY 0.00085714

shall be paid in cash as gross dividends,

For each Class A share certificate with a nominal value of Ykr 1	TRY 0.000114285
For each Class B share certificate with a nominal value of Ykr 1	TRY 0.000114285

shall be paid in the form of share certificates as dividends.

Anadolu Hayat Emeklilik A.Ş.

Assessment of Financial Standing, Profitability and Claims Payment Ability

As was the case in previous years, Anadolu Hayat Emeklilik A.Ş. was once again the sector's leader in 2007 in terms of profitability, shareholders' equity and asset size among all the companies operating in life insurance and private pension branches.

ASSETS PERFORMANCE

In 2007, Anadolu Hayat Emeklilik increased its total assets by 24.57% and reached an asset size of TRY 2,825 million.

Within asset items, Financial Assets and Investments with Risks on Policyholders take the largest share with TRY 1,716.30 million, up 9.97% year-on. Financial Investments with Risks on Policy Holders, which make up 84.28% of the said asset item, grew 10.33% compared with the previous year. This balance sheet item refers to the amount of financial assets into which the policyholders' funds under the company's management are invested. The increase in this item is expected to grow further in the coming period, in parallel with our continued leadership in the industry. With TRY 339 million generated in premium production in 2007, the company was responsible for 24% of the total premium production in the life insurance segment.

Another significant share in the company's asset size belongs to Receivables from Pension Operations with 32.22%. Referring to the total amount of accumulation in Private Pension Funds reached by the contributions deposited by our participants with the company under the Private Pension System, this item grew 72.50% year-on and increased to TRY 910 million from TRY 527.62 million. While the participants' funds managed by the company made up 28.82% of our total funds in 2006, the same rose by 35.55% in 2007 and reached the level of 39.06%. Pointing out that increased movement will occur from Life Insurance towards Private Pension branch, this increase is expected to continue at an increasing pace in the period coming.

Taking place among our asset items, FX assets (TRY 134 million) constitute 5.34% of our total assets and make up the savings of our policyholders for their policies issued in foreign currencies. This amount is equal to our FX liabilities and serves as a collateral for the company against exchange rate risk.

LIABILITIES PERFORMANCE

In Anadolu Hayat Emeklilik's balance sheet, liabilities consist of Technical Provisions by 53.32%, Payables due to Pension Operations by 33.13% and Shareholders' Equity by 12%.

Expressing our liabilities towards our policyholders, Life Mathematical Provisions increased 10.12% year-on and rose from TRY 1.3 million to TRY 1.4 million. Paralleling the increase in production, the 10.12% increase in this amount, which includes the growth in our policyholders' savings amounts and actuarial liabilities towards our policyholders, indicates a successful operating period with respect to the life insurance segment.

Running in reciprocation with the Receivables from Pension Operations in the Assets with respect to the Private Pension portfolio, the Payables due to Pension Operations item registered 72.03% year-on growth, driven by the amount of savings and the performance displayed in new productions. It constitutes 33.13% of our total liabilities and 37.73% of our Short and Long Term Liabilities as of the end of the operating period.

As of 31 December 2007, the minimum amount of shareholders' equity necessary for the company as calculated on the principles set by the Turkish Treasury was TRY 76 million; the company's shareholders' equity as of the said date stood at TRY 344 million. Carrying on its activities in life insurance and private pension branches as the sectoral leader, our company has maintained its strong shareholders' equity ever since its foundation.

ASSESSMENT OF PROFITABILITY

2007 was characterized by numerous legislation changes that were put into implementation in the insurance industry, the heavy competition in the private pension segment, and the penetration of international actors to the national industry. With a view to keeping abreast of the sectoral structuring changed by intense competition, sustaining its leadership in life insurance and private pension branches, and guiding and shaping the industry, the company gave weight to internal operation, infrastructural investments, effective sales and marketing techniques, and communication and advertising activities. In the conduct of these activities, the company remains strictly loyal to its two key objectives: long-term and sustainable profitability and productivity. The company's net profit for the period grew 79.87% year-on, and reached TRY 45.5 million.

Anadolu Hayat Emeklilik A.Ş.

Assessment of Financial Standing, Profitability and Claims Payment Ability

Up 312%, our technical profitability was upgraded to TRY 7.9 million in profit as compared with last year's loss figure of TRY 3.7 million. The key drivers behind the performance in the profit for the period in addition to our technical profitability were the 12.74% increase in Investment Income, which takes place among our non-operating income, and the significant 53.43% decline in Investment Expenses.

CLAIMS PAYMENT ABILITY

Claims paid by the company in 2007 totaled TRY 173.9 million. There was 19% decrease in this amount when compared with 2006.

Our claim payments consist of policy maturity and death benefit payments in relation to our life insurance and accumulation-based products from the prior periods, and our production covering both aspects.

The amount paid by the company on accumulating products at the expiration of the insurance period was TRY 163.6 million, down 18% year-on. High returns secured in insurance funds were influential on our life insurance customers' decisions to extend their policy periods.

In 2007, death benefit payments went down 27% to TRY 10.3 million compared with 2006.

The insurance industry sees increasing shift from life insurance to PPS; in this context, it is presumed that our death benefit payments will get a declining share in our total claims payments.

Anadolu Hayat Emeklilik A.Ş.

5-Year Summary Financial Information Including the Reporting Period

Financial Highlights and Key Ratios

Financial highlights (TRY thousand)	2003	2004	2005	2006	2007
Total Premium and Contribution Production	423,860	455,501	468,254	692,597	684,110*
Total Technical Profit	41,395	31,400	5,454	(3,749)	7,958
Total Assets	1,464,506	1,675,443	2,028,207	2,267,789	2,825,117
Nominal Capital	65,000	100,000	150,000	175,000	175,000
Shareholders' Equity	173,926	223,377	312,252	321,641	344,312
Financial Income	75,470	79,961	62,045	51,471	58,027
Pretax Profit	72,883	59,461	58,440	30,853	57,091
Key ratios	(%)	(%)	(%)	(%)	(%)
Pretax Profit /Shareholders' Equity	5	4	3	1	2
Total Premium and Contribution Production/Total Assets	42	27	19	10	17
Shareholders' Equity/Total Assets	29	27	23	31	24
Pretax Profit /Shareholders' Equity	12	13	15	14	12

* Premium and Contribution Production figures include the amounts of which collections were executed with credit cards.

Premium Production

a. Life Insurance Premium and Private Pension Contribution Production (total)

Premium and Contribution Production (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
342,252	426,184	25%	468,022	10%	692,346	48%	683,808*	-1%

* Premium and Contribution Production figures include the amounts of which collections were executed with credit cards,

b. Private Pension Contribution Production

Contribution Production (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
1,654%	44,942	2617%	119,778	167%	351,810	194%	344,916	-2%

c. Life Insurance

Premium Production (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
340,598	381,242	12%	348,244	-9%	340,536	-2%	338,892	0%

Anadolu Hayat Emeklilik A.Ş.

5-Year Summary Financial Information Including the Reporting Period

Mathematical Reserves and Dividend Reserves

Mathematical Reserves and Dividend Reserves

2003	2004	Change	2005	Change	2006	Change	2007	Change
1,106,673	1,293,532	17%	1,443,180	12%	1,319,478	-9%	1,453,067	10%

Pension Funds

Pension Funds (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
1,315	47,096	3,481%	174,614	271%	527,623	202%	910,158	73%

Policy Maturity and Death Benefit Payments

Policy Maturity (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
207,793	212,762	2%	181,617	-15%	200,620	10%	163,616	-18%

Death Benefit Payments (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
8,042	9,816	22%	13,099	33%	14,214	9%	10,335	-27%

Total (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
215,835	222,578	3%	194,716	-13%	214,834	10%	173,951	-19%

Technical Results

Life Insurance (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
17,689	17,125	-3%	20,033	17%	17,768	-11%	26,341	48%

Private Pensions (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
(1,200)	(13,266)	-	(14,755)	-	(21,439)	-	(18,263)	-

Total (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
16,489	3,859	-77%	5,278	36%	(3,671)	-170%	8,078	320%

Anadolu Hayat Emeklilik A.Ş.

5-Year Summary Financial Information Including the Reporting Period

Financial Results

Financial Income (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
75,470	79,961	6%	62,045	-22%	51,471	-17%	58,027	13%

Pretax Profit

Pretax Profit (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
72,883	59,461	-18%	58,440	-2%	30,853	-47%	57,091	85%

Shareholders' Equity

Shareholders' Equity (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
173,926	223,377	28%	312,252	40%	321,641	3%	344,312	7%

Total Assets

Total Assets (TRY thousand)

2003	2004	Change	2005	Change	2006	Change	2007	Change
1,464,506	1,675,443	14%	2,028,207	21%	2,267,789	12%	2,825,117	25%

Market Share

Market Share (%)

Branches	2003	2004	2005	2006	2007
Life Insurance	33	32	28	25	24
Private Pensions		15	14	19	20

Anadolu Hayat Emeklilik A.Ş.

Risk Management Policies Implemented on the Basis of Types of Risks

The company's risk policies and related implementation procedures cover written norms formulated and enforced by the Board of Directors in line with the proposals of the Risk Committee, and then put into implementation by executive management.

Risk Committee is responsible for describing, measuring, analyzing, monitoring risks and reporting them to relevant units. Other responsibilities of the Committee include following up the developments in risk management, improving the techniques and methods employed, and submitting reports to the Board of Directors on necessary legal reporting, notification and follow-up activities.

Under the risk policies, the risks that the company may be exposed to are defined as insurance underwriting risk, market risk, credit risk and operational risks. These were enforced with the approval of the Board of Directors. Risk policies are general standards that determine the Risk Committee's place in the existing organization, the scope of its duties and responsibilities, and addresses risk measurement, limit supervision, methods to be followed in case of possible limit violations, and compulsory approvals and confirmations required to be given in various circumstances and cases.

Insurance Underwriting Risk Policy

Insurance Underwriting Risk means the possibility that the premiums charged will prove insufficient to cover the claims paid.

The basic stages of Insurance Underwriting Risk management and monitoring are as follows:

- Profitability analysis on the basis of products
- Production quantity (quantity of new policies issued)
- Cancellation rates and quantities
- Surrender-death quantities
- Premium increase amounts
- Loss/premium ratios

Monitoring of the Insurance Underwriting Risk is aimed at ensuring compliance of the activities of all executive units to legal regulations, company strategies, policies and implementation principles within the framework of the company's actuarial principles.

The Insurance Underwriting Risk monitoring process consists of various stages including keeping the company management and the Board of Directors informed on matters such as;

- effectiveness of the risk management process,
- conformity with limits set,
- degree at which the data reflect the actual situation,

as well as bringing proposals with regard to precautions required to be taken and necessary changes in practices.

Market Risk Policy

The basic and ultimate purpose of the company's activities in money and capital markets is to generate returns. The basis of Market Risk policies is to measure, report and keep under control the risk that the company is exposed to by reason of such activity.

The top priority is to ensure that the Market Risk the company is exposed to is within the limits stipulated by applicable legislation and is in harmony with the company's risk appetite.

Market Risk refers to the risk of loss consisting of such elements as the "Interest Rate Risk", "Stock Position Risk", "Exchange Rate Risk", "Commodity Risk" and related "Specific Risk" in connection therewith, which might result from the volatilities in interest rates, stock prices and exchange rates in the value of Anadolu Hayat Emeklilik's position in:

- financial instruments representing borrowing whose return is linked to interest rate;
- share certificates,
- other investment securities,
- all FX or FX-indexed assets and liabilities in or off the balance sheet,
- derivative agreements based on the said instruments.

Anadolu Hayat Emeklilik A.Ş.

Risk Management Policies Implemented on the Basis of Types of Risks

The basic stages of Market Risk management process are as follows:

- Value at Risk (VaR) pertaining to the company's marketable securities (free portfolio) is calculated daily employing internationally accepted statistical methods, the application terms of which are set by the legislation.
- Measurement results are tested in terms of their reliability.
- Scenario analyses and stress tests are performed to examine the course the risk taken will follow in various scenarios.
- Results of measurements and tests are monitored by the Risk Committee and reported to the Board of Directors.
- The Board of Directors evaluates the test results and determines the actions deemed necessary.

In the monitoring of the Market Risk, Liquidity Risk is monitored employing necessary techniques and is reported to the Board of Directors.

The Market Risk monitoring process consists of various stages including keeping the company management and the Board of Directors informed on matters such as;

- the positions held by the company as a result of money and capital market transactions,
- effectiveness of the risk management process,
- conformity with limits set,
- degree at which the data reflect the actual situation,
- reporting on limit violations,
- the personnel's compliance with risk policies and execution procedures,

as well as bringing proposals with regard to precautions required to be taken and necessary changes in practices.

Credit Risk Policy

Credit Risk refers to the "situation the company is faced with due to the failure of third parties, with which the company transacts with, to fulfill the requirements of the contract made and to their failure to timely satisfy their obligations in part or in whole". Credit Risk is the process which arises from the company's relations with brokers and reinsurers particularly on the basis of delivery channels and which makes up the body of transactions and decisions starting with marketing activities and covering the advertising and sales of the company products, transfer of risks and collections of premiums.

The company handles the Credit Risk management process on the basis of brokers and reinsurer companies based on delivery channels.

Management of Risks Related to Agents

The company sees to it that all Credit Risks inherent in all of its products and activities are defined, measured and managed. Predetermined performance and risk criteria are applied in the management of credit risk posed by agents that act on behalf of the company and have a major share in the promotion and sales of its products.

Management of Risks Related to Reinsurance Companies

The company's policy governing the conduct of reinsurance activities require communication and constructive idea exchange with several reinsurance companies that are stable and financially reliable. The management policy is based on annual assessment of reinsurers.

The following criteria are applied in the selection of reinsurance companies:

- Companies providing reinsurance coverage should be operating out of politically and economically dependable regions; these countries should not be inflicted with such conditions as wars, civil commotion, insurgency, revolt, etc.
- The degree of support (statistical, actuarial, etc.) to be provided to and professionalism to be exercised by the reinsurer with the company in new product development.
- Reinsurer's follow-up of, competence in and approach to industrial practices,
- Reinsurer's capability to cover the reinsurance capacity required by the ceding company,
- Reinsurer's possessing a financial strength that is deemed adequate.

The points taken into consideration are the balance sheets, income statements, and ratings granted by international independent rating agencies with respect to the financial strengths of companies, which certify that the reinsurer is audited by legal audit and control authorities. Reinsurance companies are selected in line with the proposals of the executive unit.

Anadolu Hayat Emeklilik A.Ş.

Risk Management Policies Implemented on the Basis of Types of Risks

The Risk Committee monitors all credit risks that the company may be exposed to during its activities, whether the third parties with which the company interacts fulfill their contractual obligations, the risk level of their activities, and the Credit Risk-related losses that occur in the company at regular intervals. The Risk Committee periodically reports on the same to the Board of Directors.

The Credit Risk management process is constantly monitored. In addition to the audits performed by executive units, the Board of Inspectors also conducts audits on the basis of third parties entering into a contractual arrangement with the company and agencies by regions. The Board of Directors determines the principles relating to execution of action plans for the conduct of Credit Risk audit performed by the Board of Auditors, the reporting of audit results, and remedy of errors and irregularities identified in the audits, as well as audit programs.

Operational Risk Policy

Operational risks are defined as risks other than insurance underwriting, credit and market risks, which will cause the company to suffer physical or reputational loss. The basic principle is to measure, analyze, monitor and report on these risks that may occur in the organization, business continuity, technology, human resource, legislation, management, or business environment. The company classified the basic risks it may be faced with in the risk catalogue. The risk catalogue is updated according to undefined risks that the company may be exposed to due to the changes in the business environment and business processes. Operational risks are defined by seeking information from the staff doing the job and also centrally by the Risk Committee.

For management of operational risks, qualified data must be available which are appropriate for analysis. Operational risk management processes combines both qualitative and quantitative approaches in measurement and assessment. The most important part in the identification of operational risks is the description of risks, and determination of risk data necessary for measurement methodology and of the sources from which these data can be obtained. After they are defined and their loss extents are determined in the light of these data, risks are reported to the Board of Directors.

Anadolu Hayat Emeklilik A.Ş. Independent Auditors' Report for the Year Ended 31 December 2007

To the Board of Directors of
Anadolu Hayat Emeklilik A.Ş.
İstanbul

ANADOLU HAYAT EMEKLİLİK A.Ş.

INDEPENDENT AUDITORS' REPORT FOR THE PERIOD 1 JANUARY 2007 - 31 DECEMBER 2007

1. We have audited the accompanying financial statements of Anadolu Hayat Emeklilik A.Ş. (the "Company") as of 31 December 2007. These financial statements are the responsibility of the Company's management. As an independent auditor, our responsibility is to express an opinion on these financial statements based on our audits.

2. According to article 50(a) of the Capital Market Law (VII.), insurance companies have to comply with their own specific laws and regulations in matters of establishment, auditing, supervision, accounting and financial reporting. Therefore; the accompanying financial statements have been prepared according to the prevailing Turkish Insurance Auditing Law No. 5684 applicable to Insurance and Reinsurance companies and Individual Retirement, Saving and Investment System Law No. 4632 and principles stated in Note 11.

3. We conducted our audit in accordance with the Law No. 5684 of the Turkish Insurance Auditing, the Law No. 4632 of Individual Retirement, Saving and Investment System and Independent Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

4. In our opinion the financial statements referred to above present fairly, the financial position of Anadolu Hayat Emeklilik A.Ş. as of 31 December 2007, and the result of its operations in accordance with the accounting principles and standards set out in regulations with the Law No. 5684 of Turkish Insurance Auditing and the Law No. 4632 of Individual Retirement, Saving and Investment System.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Note 11 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Company's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU



Sibel TÜRKER

Partner

İstanbul, 5 March 2008

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Balance Sheet

		TRY	
		Audited Current Period (31/12/2007)	Audited Previous Period (31/12/2006)
ASSETS			
I- Current Assets			
A- Cash and Cash Equivalents		62,006,616	35,354,950
1- Cash		6,855	8,740
2- Cheques Received		-	-
3- Banks	Art.35	31,619,191	13,839,095
4- Cheques Given and Payment Orders (-)		(43,366)	(40,341)
5- Other Cash and Cash Equivalents		30,423,936	21,547,456
B- Financial Assets and Investments with Risks on Policy Holders		1,716,302,360	1,560,721,969
1- Securities Available for Sale	Art.25	191,514,815	175,419,500
2- Securities Held to Maturity	Art.25	-	-
3- Securities Held for Trading	Art.25	78,333,292	74,300,313
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders	Art.25	1,446,454,253	1,311,002,156
7- Equity Shares		-	-
8- Diminution in Value of Financial Securities (-)		-	-
C- Receivables Arising from Operations		918,115,665	537,725,508
1- Receivables Arising From Insurance Operations		8,201,909	10,483,779
2- Provision for Receivables From Insurance Operations (-)		(244,736)	(381,719)
3- Receivables From Reinsurance Operations		-	-
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		910,158,492	527,623,448
9- Doubtful Receivables From Main Operations	Art.11f	104,297	87,506
10- Provisions for Doubtful Receivables From Main Operations (-)	Art.30	(104,297)	(87,506)
D- Due from Related Parties		98,985	97,603
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Enterprises Subject to Joint Management		-	-
5- Due from Personnel		98,985	97,603
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables		16,141,530	15,278,816
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Guarantees Given		23,914	27,486
4- Other Receivables	Art.27	16,117,616	15,251,330
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
F- Prepaid Expenses and Income Accruals		334,565	198,704
1- Prepaid Expenses		123,041	92,320
2- Accrued Interest and Rent Income		73,098	27,753
3- Income Accruals		138,426	78,631
G- Other Current Assets		5,483,081	953,393
1- Inventories		66,022	73,894
2- Prepaid Taxes and Funds		5,415,559	876,914
3- Deferred Tax Assets		-	-
4- Business Advances		-	-
5- Advances Given to Personnel		1,500	2,585
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		2,718,482,802	2,150,330,943

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Balance Sheet

		TRY	
ASSETS		Audited Current Period (31/12/2007)	Audited Previous Period (31/12/2006)
II- Non Current Assets	Note		
A- Receivables from Operations		-	-
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations		-	-
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Enterprises Subject to Joint Management		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables		-	-
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Guarantees Given		-	-
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets		82,184,683	93,487,947
1- Investments In Associates	Art.25	62,114,152	74,626,364
2- Affiliates	Art.25	27,080,664	25,870,672
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Enterprises Subject to Joint Management		-	-
7- Capital Commitments to Enterprises Subject to Joint Management (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Diminution in Value of Financial Assets (-)	Art.31	(7,010,133)	(7,009,089)
E- Tangible Fixed Assets		23,012,591	22,730,169
1- Investment Properties		26,121,414	26,121,414
2- Diminution in Value for Investment Properties (-)		-	-
3- Owner Occupied Property		1,535,699	1,535,699
4- Machinery and Equipments		2,545,992	2,689,432
5- Furnitures and Fixtures		1,565,011	1,370,184
6- Vehicles		897,801	897,801
7- Other Tangible Assets (Including Leasehold Improvements)		1,228,378	686,126
8- Leased Tangible Fixed Assets		1,673,218	1,567,671
9- Accumulated Depreciation (-)		(12,554,922)	(12,138,158)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)		-	-
F- Intangible Fixed Assets		1,415,110	1,239,459
1- Rights		3,129,214	2,488,494
2- Goodwill		-	-
3- Establishment Costs		120,569	120,569
4- Research and Development Expenses		-	-
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)		(1,834,673)	(1,369,604)
8- Advances Regarding Intangible Assets		-	-
G- Prepaid Expenses and Income Accruals		21,388	-
1- Prepaid Expenses		21,388	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		-	-
H- Other Non Current Assets		-	-
1- Inventories		-	-
2- Prepaid Taxes and Funds		-	-
3- Deferred Tax Assets		-	-
4- Other Non-current Assets		-	-
5- Other Non-current Assets Amortization (-)		-	-
6- Provision for Other Non-current Assets (-)		-	-
II- Total Non Current Assets		106,633,772	117,457,575

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Balance Sheet

		TRY	
LIABILITIES		Audited Current Period (31/12/2007)	Audited Previous Period (31/12/2006)
III- Short-Term Liabilities	Note		
A- Borrowings		92,632	144,721
1- Loans to Financial Institutions		-	-
2- Leasing Payables		99,145	156,852
3- Deferred Leasing Costs (-)		(6,513)	(12,131)
4- Current Portion of Long Term Debts		-	-
5- Principal Installments and Interests on Issued Bonds		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences of Financial Assets Issued (-)		-	-
B- Payables From Main Operations		937,146,321	545,270,358
1- Payables Due To Insurance Operations		1,085,614	916,907
2- Payables Due To Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		152,915	328,800
4- Payables Due To Pension Operations		935,907,792	544,024,651
5- Payables from Other Operations		-	-
C- Due to Related Parties		3,454	15,199
1- Due to Shareholders		3,454	15,199
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Enterprises Subject to Joint Management		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		19,758,436	18,258,281
1- Guarantees and Deposits Received		109,054	107,108
2- Other Payables	Art.27	19,649,382	18,151,173
3- Discount on Other Payables (-)		-	-
E- Insurance Technical Provisions		1,506,306,529	1,370,494,028
1- Provisions for Unearned Premiums - Net		4,876,185	5,430,314
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Provisions - Net		1,453,067,431	1,319,477,724
4- Provision for Outstanding Claims - Net		48,362,913	45,585,990
5- Provision for Bonus and Discounts - Net		-	-
6- Provision for Policies Investment Risk of Which Belongs to Life Insurance Policyholders - Net		-	-
7- Other Technical Provisions - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions		10,090,893	4,536,931
1- Taxes and Dues Payable		1,771,770	1,572,836
2- Social Security Premiums Payable		496,745	436,341
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		40	9
5- Corporate Tax Payable		11,610,055	5,567,714
6- Prepaid Taxes and Other Liabilities Regarding Period Profit (-)		(3,787,717)	(3,039,969)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		-	-
1- Provision for Retirement Pay		-	-
2- Provisions for Costs		-	-
H- Deferred Income and Expense Accruals		1,285,053	1,409,082
1- Deferred Income		690,086	833,370
2- Expense Accruals		594,967	575,712
3- Other Deferred Income and Expense Accruals		-	-
I- Other Short Term Liabilities		36	1,494,618
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		36	26
3- Other Short Term Liabilities		-	1,494,592
III - Total Short Term Liabilities		2,474,683,354	1,941,623,218

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Balance Sheet

		TRY	
LIABILITIES		Audited Current Period (31/12/2007)	Audited Previous Period (31/12/2006)
IV- Long-Term Liabilities	Note		
A- Borrowings		-	-
1- Loans to Financial Institutions		-	-
2- Leasing Payables		-	-
3- Deferred Leasing Costs (-)		-	-
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Value Differences of Financial Assets Issued (-)		-	-
7- Other Financial Liabilities		-	-
B- Payables from Main Operations		-	-
1- Payables Due To Insurance Operations		-	-
2- Payables Due To Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables Due To Pension Operations		-	-
5- Payables from Other Operations		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Enterprises Subject to Joint Management		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Guarantees and Deposits Received		-	-
2- Other Payables		-	-
3- Discount on Other Payables (-)		-	-
E- Insurance Technical Provisions		-	-
1- Provisions for Unearned Premiums - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Provision for Policies Investment Risk of Which Belongs to Life Insurance Policyholders - Net		-	-
7- Other Technical Provisions - Net		-	-
F- Tax and Other Liabilities to be Paid and Relevant Provisions		-	-
1- Taxes and Dues Payable		-	-
2- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks		6,121,581	4,524,700
1- Provision for Retirement Pay	Art.11i	6,121,581	4,524,700
2- Provisions for Employee Pension Fund Deficits		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Long Term Liabilities		-	-
1- Deferred Tax Liability		-	-
3- Other Long Term Liabilities		-	-
IV- Total Long-Term Liabilities		6,121,581	4,524,700

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Balance Sheet

		TRY	
		Audited Current Period (31/12/2007)	Audited Previous Period (31/12/2006)
SHAREHOLDER'S EQUITY			
V- Shareholders' Equity	Note		
A- Paid In Capital			
1- (Nominal) Capital	Art.2	175,000,000	175,000,000
2- Unpaid Capital (-)		-	-
3- Positive Inflation Adjustment on Capital		-	-
4- Negative Inflation Adjustment on Capital (-)		-	-
B- Capital Reserves			
		125,910	125,910
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital		125,910	125,910
4- Translation Reserves		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves			
		123,704,517	121,229,256
1- Legal Reserves		36,390,595	34,696,300
2- Statutory Reserves		10,537,635	8,677,278
3- Extraordinary Reserves		56,507,949	47,352,535
4- Special Funds (Reserves)		-	-
5- Revaluation of Financial Assets		20,268,338	30,503,143
6- Other Profit Reserves		-	-
D- Previous Years' Profits			
		-	-
1- Previous Years' Profits		-	-
E- Previous Years' Losses (-)			
		-	-
1- Previous Years' Losses		-	-
F- Net Profit of the Period			
		45,481,212	25,285,434
1- Net Profit of the Period		45,481,212	25,285,434
2- Net Loss of the Period		-	-
Total Shareholders' Equity		344,311,639	321,640,600

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Income Statement

		TRY	
		Audited Current Period	Audited Previous Period
I-TECHNICAL DIVISION	Note	01/01/2007-31/12/2007	01/01/2006-31/12/2006
A- Non-Life Technical Income			
1- Premiums (Net of Reinsurer Share)		150,145	198,252
1.1- Premiums		149,949	197,632
1.1- Premiums		197,007	202,210
1.2- Change in Unearned Premium Provisions (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		-	-
1.3- Changes in Unexpired Risk Reserves (Net of Reinsurer Share and Reserves Carried Forward)(+/-)	Art.2	(47,058)	(4,578)
2- Investment Income Transferred from Non-Technical Divisions		196	620
3- Other Technical Income (Net of Reinsurer Share)		-	-
B- Non-Life Technical Expense			
1- Claims Paid (Net of Reinsurer Share)		(269,621)	(276,545)
1.1- Claims Paid (Net of Reinsurer Share)		(277,666)	(264,033)
1.1- Claims Paid (Net of Reinsurer Share)		(155,382)	(153,264)
1.2- Changes in Outstanding Claims Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	Art.2	(122,284)	(110,770)
2- Changes in Bonus and Discount Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
4- Operating Expenses (-)		8,045	(12,512)
C- Non-Life Technical Profit (A - B)			
		(119,476)	(78,293)
D- Life Technical Income			
1- Premiums (Net of Reinsurer Share)		556,949,050	550,060,730
1.1- Premiums		337,577,305	337,355,350
1.1- Premiums		336,976,118	338,235,576
1.2- Change in Unearned Premium Provisions (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		-	-
1.3- Changes in Unexpired Risk Reserves (Net of Reinsurer Share and Reserves Carried Forward)(+/-)	Art.2	601,187	(880,226)
2- Life Branch Investment Income		218,920,421	211,999,801
3- Accrued (Unrealized) Income from Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		451,324	705,579
E- Life Technical Expense			
1- Claims Paid (Net of Reinsurer Share)		(530,608,252)	(532,292,505)
1.1-Claims Paid (Deducted from Reinsurer)		(375,867,623)	(586,930,056)
1.1-Claims Paid (Deducted from Reinsurer)		(376,076,331)	(587,126,808)
1.2- Changes in Outstanding Claims Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	Art.2	208,708	196,752
2- Changes in Bonus and Discount Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
3- Changes in Life Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	Art.2	(116,623,960)	96,393,552
4- Changes in Reserves for Life Insurance Policies Including Investment Risk (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
6- Operating Expenses (-)		(38,116,669)	(41,756,001)
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Accrued (Unrealized) Losses from Investments (-)		-	-
9- Investment Income Transferred to Non-Technical Divisions (-)		-	-
F- Life Technical Profit (D - E)			
		26,340,798	17,768,225
G- Individual Retirement Technical Income			
1- Fund Management Fee		38,251,354	17,655,201
1- Fund Management Fee		17,751,982	8,260,865
2- Management Fee Deduction		11,790,866	5,303,338
3- Initial Contribution Fee		6,590,930	2,480,234
4- Management Fee Deduction in the Case of a Break (-)		2,071,435	1,523,649
5-Deduction from the Private Service Expense		-	-
6- Increase in Value of Allocated Capital Advances		16,089	39,299
7- Other Technical Income		30,052	47,816
H- Individual Retirement Technical Expense			
1- Fund Management Expenses (-)		(56,514,372)	(39,094,321)
1- Fund Management Expenses (-)		(4,237,508)	(1,986,113)
2- Decrease in Market Value of Capital Commitment Advances (-)		(6,988)	(39,138)
3- Operating Expenses (-)		(49,731,371)	(35,561,836)
4- Other Technical Expense (-)		(2,538,505)	(1,507,234)
I- Individual Retirement Technical Profit (G - H)			
		(18,263,018)	(21,439,120)

Anadolu Hayat Emeklilik A.Ş.

Detailed Unconsolidated Income Statement

		TRY	
		Audited Current Period	Audited Previous Period
		01/01/2007-31/12/2007	01/01/2006-31/12/2006
II- NON TECHNICAL DIVISION			
	Note		
C- Non-Life Technical Profit		(119,476)	(78,293)
F- Life Technical Profit		26,340,798	17,768,225
I - Individual Retirement Technical Profit		(18,263,018)	(21,439,120)
J- Total Technical Profit (C + F + I)		7,958,304	(3,749,188)
K- Investment Income		58,026,844	51,470,719
1- Income From Financial Investment		21,480,561	11,338,351
2- Income from Sale of Financial Assets		17,153,422	21,958,066
3- Revaluation of Financial Assets		13,223,043	12,142,453
4- Foreign Exchange Gains		418,081	570,836
5- Dividend Income from Participations		3,206,451	2,866,777
6- Income from Affiliated Companies			
7- Real Estate Income		1,987,111	1,869,441
8- Income from Derivative Products		172,610	225,271
9- Other Investments		385,565	499,420
10- Investment Income Transferred from Life Technical Division		-	104
L- Investment Expenses (-)		(5,422,219)	(11,642,782)
1- Investment Management Expenses (including interest) (-)		(1,518,324)	(2,173,098)
2- Valuation Allowance of Investments (-)		-	(1,935,337)
3- Losses On Sales of Investments (-)		(1,625,908)	(5,151,690)
4- Investment Income Transferred to Life Technical Division (-)		-	-
5- Losses from Derivative Products (-)		-	-
6- Foreign Exchange Losses (-)		(342,416)	(517,105)
7- Discount on Receivables Due from Related Parties (-)	Art.1	(1,935,571)	(1,730,034)
8- Other Investment Expenses (-)		-	(135,518)
M- Other Income and Expenses (+/-)		(3,471,662)	(5,225,603)
1- Reserves (Provisions) Account (+/-)	Art.2	(1,256,979)	(4,805,786)
2- Rediscount Account (+/-)		-	-
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Monetary Gains Losses Account (+/-)		-	-
5- Deferred Tax Asset Accounts(+/-)		-	-
5- Discount on Other Receivables (-)		-	-
7- Other Income and Revenues		1,752	1,327
8- Other Expense and Losses (-)	Art.19	(2,216,435)	(421,144)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit/(Loss)		45,481,212	25,285,434
1- Profit/(Loss) Before Tax		57,091,267	30,853,148
2- Tax Provision (-)	Art.2	(11,610,055)	(5,567,714)
3- Net Profit (Loss) After Tax		45,481,212	25,285,434
4- Inflation Adjustment Account		-	-

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

1. OPERATIONS OF THE COMPANY

The operations of Anadolu Hayat Emeklilik A.Ş. (the "Company") involve providing individual and group insurance and reinsurance services relating to group life, individual life, retirement and sickness benefit branches, establishing retirement funds, developing internal rules and regulations related to these funds, carrying out retirement, annual income insurance, portfolio management and custody contracts for the assets of the funds held in custody.

As of the balance sheet date, there are 17 Individual Retirement Investment Funds which were established by the Company. (31 December 2006: 17)

2. SHAREHOLDERS WITH A SHAREHOLDING OF 10% OR MORE

The nominal capital of the Company is TRY 175,000,000 at 31 December 2007 and consists of fully covered 17,500,000,000 shares with a value of YKR 1 each. The distribution of capital among shareholders is as follows:

31 December 2007

	Share Amount (TRY)	Share Rate %
Türkiye İş Bankası A.Ş.	108,500,000	62
Anadolu Anonim Türk Sigorta Şti.	35,000,000	20
Other	31,500,000	18
	175,000,000	100

16% of the shares is quoted in the stock exchange as of 31 December 2007.

31 December 2006

	Share Amount (TRY)	Share Rate %
Türkiye İş Bankası A.Ş.	108,500,000	62
Anadolu Anonim Türk Sigorta Şti.	35,000,000	20
Other	31,500,000	18
	175,000,000	100

16% of the shares is quoted in the stock exchange as of 31 December 2006.

3. PREFERENCE SHARES

31 December 2007

The total of 17,500,000,000 shares that represents TRY 175,000,000 of share capital consists of 100,000,000 shares of (A) Group and 17,400,000,000 shares of (B) Group. As of the balance sheet date all (A) Group shares belong to Türkiye İş Bankası A.Ş.

(A) Group shares have no privilege except voting rights for the members of Board of Directors. Additional (A) Group shares cannot be issued during any capital increases.

31 December 2006

The total of 17,500,000,000 shares that represents TRY 175,000,000 of share capital consists of 100,000,000 shares of (A) Group and 17,400,000,000 shares of (B) Group. As of the balance sheet date all (A) Group shares belong to Türkiye İş Bankası A.Ş.

4. REGISTERED CAPITAL LIMIT

31 December 2007

The Company accepted the registered capital system under the Law 2499 and on 15 June 2000, changed its system with the permission of the Capital Markets Board numbered 67/1039.

As of the balance sheet date, the Company has TRY 300,000,000 registered capital.

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

31 December 2006

The Company accepted the registered capital system under the Law 2499 and on 15 June 2000, changed its system with the permission of the Capital Markets Board numbered 67/1039.

As of the balance sheet date, the Company has TRY 300,000,000 registered capital.

5. CAPITAL INCREASES DURING YEAR AND THE RESOURCES

31 December 2007

None.

31 December 2006

The resolution of the board of directors dated 7 March 2006, numbered 390/5, indicates the capital increase from TRY 150,000,000 to TRY 175,000,000. The capital increase is registered in 24 July 2006. TRY 5,559,582 of this increase is transferred from the inflation adjustments to capital, TRY 1,716,457 is from the income on sale of affiliates and immovables, TRY 7,723,961 is from the extraordinary reserves and TRY 10,000,000 is from the dividend payables from 2005 year profit.

6. MARKETABLE SECURITIES OTHER THAN ISSUED SHARES DURING THE YEAR

There are no marketable securities other than shares issued during the current year.

7. ISSUED MARKETABLE SECURITIES REPRESENTING MATURED DEBT

There is no debt securities matured during year.

8. MOVEMENTS OF TANGIBLE FIXED ASSETS DURING THE YEAR

31 December 2007	TRY
a) Cost of purchased or acquired fixed assets	1,854,456
b) Cost of fixed assets sold	1,155,270
c) Revaluation of tangible fixed assets during the period	-
d) The quality, total amount, beginning, ending dates and completeness degree of construction in progress	-

31 December 2006	TRY
a) Cost of purchased or acquired fixed assets	926,240
b) Cost of fixed assets sold	152,623
c) Revaluation of tangible fixed assets during the period	-
d) The quality, total amount, beginning, ending dates and completeness degree of construction in progress	-

9. CURRENT AND FUTURE INVESTMENT ALLOWANCES DEDUCTIBLE FROM THE TAX BASE

As of the balance sheet date, no investment allowances used or to be used for the future period.

10. BALANCES WITH SHAREHOLDERS, EQUITY PARTICIPATIONS AND SUBSIDIARIES

31 December 2007

	Receivables (TRY)		Payables (TRY)	
	Trade	Non-Trade	Trade	Non-Trade
Shareholders (*)	17	31,559,185	3,454	-
Affiliates	-	-	357,018	-

31 December 2006

	Receivables (TRY)		Payables (TRY)	
	Trade	Non-Trade	Trade	Non-Trade
Shareholders (*)	-	13,793,523	15,199	-
Affiliates	405	-	31,445	-

(*): All of the non-trade receivables from shareholders consist of bank accounts.

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

11. DEPRECIATION AND VALUATION METHODS FOR INVENTORY AND OTHER BALANCE SHEET ITEMS, CHANGES IN THESE AND OTHER ACCOUNTING PRINCIPLES, MONETARY EFFECTS ON THESE CHANGES AND POSSIBLE MATTERS THAT CAN CHANGE THE ASSUMPTION ON GOING CONCERN AND ACCRUAL BASIS ACCOUNTING OF THE COMPANY AND REASONS FOR THESE

Accounting Principles

Article 50 (a) of the Capital Market Law (VII.) states that insurance companies have to comply with their own specific laws and regulations in matters of establishment, auditing, supervision, accounting and financial reporting. Therefore, the financial statements of the Company are prepared in accordance with the principles set out by the Turkish Treasury for Insurance and Reinsurance companies.

It is declared by the Turkish Treasury that insurance companies are subject to related clauses of the restatement of financial statements in the hyperinflation period part of the Capital Markets Board (the "CMB") Communiqué No: 25 of Series XI, "Communiqué on The Accounting Standards in the Capital Market" published in the Official Gazette dated 25290 on 15 November 2003 with the articles dated 28 January 2004 and numbered 4787 and 4 April 2005 and numbered 19387; beginning from 1 January 2005.

a. Restatement of Financial Statements in Hyperinflationary Periods

With respect to the declaration of the Turkish Treasury with the article dated 4 April 2005 and numbered 19387; financial statements as of 31 December 2004 are adjusted for the opening balances of 2005 in accordance with the inflation accounting part of the Capital Markets Board (the "CMB") Communiqué No: 25 of Series XI, "Communiqué on Accounting Standards in Capital Market" published in the Official Gazette dated 15 November 2003 and numbered 25290. Inflation accounting is no longer applied in the year 2005, in accordance with the same declaration of the Turkish Treasury.

Restatement adjustments as of 31 December 2004 have been made according to the wholesale price index published by the State Institute of Statistics ("WPI").

b. Financial Instruments

According to the declaration of the Turkish Treasury dated 3 March 2005 and numbered B.02.1.HM.0.SGM.0.3.1/15, the valuation and accounting of the assets and liabilities of the insurance companies should be performed in conjunction with the Communiqué No: 25 of Series XI, "Communiqué on Accounting Standards in Capital Market" of the CMB declared in the Official Gazette dated 15 November 2003 and numbered 25290 until a new regulation is made by the Turkish Treasury. Furthermore, without creating any possible oppositions against the rights and benefits of the policyholders, each of the financial instruments risk of which belongs to the policyholders should be classified as held to maturity investments, available for sale investments and held for trading investments and should be valued in accordance with the obligations of the CMB mentioned in the relevant communiqué.

It is also declared that, while recording the available for sale investments that belong to the policyholders, only the Company portion of any gains or losses result from the difference in the valuation methods between the market value and the internal rate of return should be recorded to equity.

Financial instruments, which consist of treasury bills, government bonds, equity shares, Eurobonds, private sector bonds, time deposits, investment funds and retirement funds are subject to a classification as available for sale, held to maturity, and held for sale financial instruments in accordance with the decisions of the Capital Markets Board (the "CMB") Communiqué No: 25 of Series XI, as of 31 December, 2007. In accordance with the 266th article of the same Communiqué, in determining the fair value of held for sale and available for sale financial instruments, the best purchase order is used.

Financial instruments held for trading

Financial instruments held for trading are those acquired principally for the purpose of generating profit from short-term fluctuations in their price or dealer's margin. Subsequent to initial recognition, held for trading securities are valued at their fair values if reliably measured. Gains or losses on held for trading financial instruments are included in net profit or loss for the period in which they arise.

Financial instruments available for sale

Financial instruments available for sale consist of financial assets that are not held to maturity nor held for trading. Subsequent to acquisition, available for sale financial instruments are valued at their fair values if reliably measured. Increase or decrease in amortised cost of the available for sale instruments is recognized in income statement; while unrealized gains or losses arising from the difference

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

between fair value and the amortised cost, are recognized in shareholders' equity. When the available for sale financial instruments are sold, the value increase/decrease of these financial assets recognized in shareholder's equity are transferred to the income statement. For those financial instruments of which the fair value cannot be measured reliably, are measured at amortised cost using the effective interest rate.

Financial instruments held to maturity

Held-to-maturity financial instruments are securities with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Held to maturity financial instruments are measured at amortised cost using the effective interest rate method and valuation difference is recognised in the income statement.

Financial instruments of which risks are attributable to life insurance policy holders

These assets are classified as available for sale, held for trading and held to maturity financial instruments. Assets classified as available for sale are carried at their fair value, and 5% of the difference between the fair value and the discounted value is recognised under equity and 95% of which belongs to the insureds is recognised under Insurance Technical Provisions - Life Mathematical Provision account. Instruments that do not have fair values are carried at their amortised cost using the effective interest.

c. Equity Participations and Affiliates

Listed shares at Istanbul Stock Exchange ("ISE") which are followed up in the Equity Participations and Affiliates accounts are valued at their fair values and the difference between the indexed value and the fair value is recognized in equity.

Unlisted shares at ISE in the Equity Participations and Affiliates accounts are followed up with their inflation adjusted carrying amounts as of 31 December, 2004. Companies with recent independent valuation work are carried at their inflation adjusted carrying amounts as of 31 December 2004 less any allowance for impairment.

d. Technical Provisions

Provision for unearned premiums, life mathematical provision, outstanding claims provision, the re-insurer's share of these provisions and are included in the financial statements in accordance with the principles mentioned below:

The provision for unearned premiums represents the amount of net premiums underwritten in the current period but corresponds to the period subsequent to the balance sheet date.

Provision for outstanding claims are provided for the claims reported at period end but not paid yet. Any difference regarding to the claim paid and provision provided is reflected to the records at the date that the payment done. Re-insurer share of these provisions are shown separately.

Regulation regarding the regulation related with the changes in the Foundation and Operation Principles of Insurance and Reinsurance Companies became operative after published in the Official Gazette dated 27 January 2004 numbered 25359. According to the first article of the regulation, insurance and reinsurance companies should provide provision for the claims accrued and determined but not yet paid in the previous or the current periods. If the Company was not able to determine this claim provision amount, the outstanding claim provision should be provided based on the estimated values of the incurred but not reported claims. By the last declaration of Turkish Treasury dated 18 January 2005 and numbered B.02.1.HM.0.SGM.0.3.1.1-03821, it is stated that incurred but not reported claims included in the financial statements as of the balance sheet date will be followed as a sub-account under outstanding claim provisions. The same declaration states that, this provision is calculated over the last 5 years' data as of 31 December 2006 (the last four years for 2005) and calculations will be made over net conservation amount and on insurance branch basis after subtracting the proceeds such as recovery and residual value. It is stated that while calculating the incurred but not reported claims, weighted averages of previous years' premium productions and relevant incurred but not reported claim amounts will be taken into consideration and the current year incurred but not reported claims will be found by multiplying the calculated weighted average and current year premium production.

The Company's incurred but not reported claims, included in the outstanding claim provisions in the accompanying financial statements and calculated according to the methods mentioned above, amounts to TRY 1,548,489. (31 December 2006: TRY 1,782,252)

Mathematical reserves which are calculated over life insurance policies for the compensations that the Company commits to pay in the future are calculated according to the generally accepted actuarial calculations approved by the under secretariat of the Treasury. Net

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Notes to the Balance Sheet for the Year Ended 31 December 2007

revenue generated from those provisions by the investment activities are provided as life profit share provision to be distributed to the policyholders.

Loans to Insured (loan account) Account which has been shown within the Receivables from Operations in the previous period, are netted off at the current period from the Life Mathematical Reserves of the insured people.

e. Premium Income and Claims

Premium income represents premiums on policies written during the year and the current year portion of the installments of the accumulating life insurance policies that are written in the previous years, deducted by the reinsurers' shares. In the life branch, the premium income is accrued at installment dates.

Accrued premium in elementary branches is collected either fully or 20% in advance and the remaining balance is collected in 5 installments of equal amounts.

The Company allocates free provision for Agency Commissions based on insurance premiums accrued but not collected as at the balance sheet date to be in accordance with the matching principle of accounting and to net-off its receivables; however, agent commission provision is not accrued in the non-life branches, in life branch policy-basis commission amount, that needs to be paid if uncollected receivables are collected, is calculated.

Claims are expensed as they are reported. Outstanding claims provision is provided for the claims that are reported at the period end but not yet paid and for the claims incurred but not yet reported. The reinsure shares of claims paid and outstanding claims provision are presented separately.

f. Receivables from Policyholders and Agents

According to the 27th article of the Foundation and Operation Regulations for Insurance and Reinsurance Companies which was published in the Official Gazette dated 26 December 1994 and numbered 22153 by the order of the Turkish Treasury and become effective since 1 January 1995; insurance companies used to provide provisions for due premiums which can not be collected in two months period. As a result of being excluded from the Insurance Law No: 5684, which is effective since 14 June 2007, it is ceased to provide provisions for premium receivables. It is left to the initiative of the insurance companies, to utilize the provisions provided in the current year and previous periods, with "The Circular Relating to Coherence of the Provisions of Insurance, Reinsurance and Retirement Companies with the Clauses of the Insurance Law No:5684" by the Turkish Treasury, dated 4 July 2007.

Furthermore, the Company has provided provision for the doubtful receivables under legal and management follow up, but not included in the premium provision mentioned above. The amount of the doubtful receivables under legal and management follow up as of 31 December 2007 amounts to TRY 104,297 and it is fully provisioned. (The amount of the doubtful receivables under legal and management follow up as of 31 December 2006 amounts to TRY 87,506 and it is fully provisioned.)

The Company presents its receivables from and payables to the insurance and reinsurance companies by netting them off on company basis.

g. Tangible Fixed Assets

Fixed assets; for the items purchased before 1 January 2005 are shown based on their indexed value from their purchase date until 31 December 2004. Fixed assets, except land which have unlimited lifetime will be amortized according to the percentages shown below from their indexed value based on the type of the asset and with prorate based amortization.

	(%)
Buildings	2
Vehicles	20
Furniture, Fixtures & Equipment	6-20
Machinery & Equipment	6-33
Intangible Fixed Assets	33

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Notes to the Balance Sheet for the Year Ended 31 December 2007

h. Assets and Liabilities in Foreign Currency

The Company values its assets with the Central Bank of Turkey foreign exchange bid rate and its liabilities with the Central Bank of Turkey foreign exchange ask rate as at the balance sheet date. The exchange difference from these transactions is included in the income statement. The Company revalues its premium receivables within the exchange rate on the policy beginning date and reflects the exchange rate difference to the financial statement when collection is made.

i. Retirement Pay Provision

Retirement pay provision is accounted in the accompanying financial statements for the potential future payments to be made to employees entitled in accordance with the regulations of the CMB.

The amount of the retirement pay provision at the balance sheet date is TRY 6,121,581. The retirement pay provision paid by the company in 2007 is TRY 392,105, and the additional retirement pay provision accrued is TRY 1,596,881 (31 December 2006: the retirement pay provision was TRY 4,524,700, the company paid TRY 40,483. The additional retirement pay provision accrued is TRY 631,617.)

j. Taxation

Corporate Tax

The Company is subject to corporate tax in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

Corporation tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2006 and 2007 is 20%.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20%. (2006: 20%)

With the condition of deducting from future years' taxable income, the losses can be carried over at most 5 years. However, the losses can not be deducted from previous years' profits

In Turkey, there isn't any definite and rigid confirmation procedure regarding tax evaluations. The entities prepare their tax returns between the 1st and 25th of April that follows the end of the appropriate fiscal year. For the entities which have a special fiscal year, tax returns are prepared between the 1st and 25th of the forth month following the end of their fiscal year. Those tax returns and the journal entries which formed those tax returns can be changed within 5 years by the Tax Administration.

Income Tax Withholding

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15% in accordance with the decision of Council of Ministers dated 22 July 2006 and numbered 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Inflation adjusted legal tax calculation

For 2003 and previous years, taxable profits were calculated without any inflation adjustment to the statutory records, except that fixed assets and the related depreciation were revalued annually. Law No. 5024 published in the Official Gazette No. 25332 on 30 December 2003 requires the application of inflation accounting in Turkey in 2004 and future years for tax purposes, if the actual rate of inflation meets certain thresholds, using principles which do not differ substantially from the principles in IAS 29 "Financial Reporting in Hyperinflationary Economies". As inflation met certain thresholds as of 31 December 2004, the Company has adjusted its statutory financial statements as of 31 December 2004 in accordance with Law No. 5024 and inflation adjusted balances as at 31 December 2004 were taken as opening balances as of 1 January 2005. However, as inflation did not meet the required thresholds in the following years, no further inflation adjustment made to the Company's statutory financial statements.

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Notes to the Balance Sheet for the Year Ended 31 December 2007

k. Comparative Reporting and Reclassifications on the Previous Period Financial Statements

Certain reclassifications have been made to the prior year figures to comply with the current year presentation.

12. SUBSEQUENT EVENTS

None.

13. CONTINGENT ASSETS AND LIABILITIES

The lawsuits filed against the Company is TRY 841,213 as of 31 December 2007. For those cases in question amounting to a total of TRY 255,850, an outstanding claims reserve in the amount of TRY 709,743 is accounted for on the enclosed financial statements. The amount of the lawsuits filed and/or expected to be filed against the company after 31 December 2007 is TRY 192,085. (31 December 2006: At the balance sheet date, the lawsuits filed against the Company is TRY 621,830. For those cases in question amounting to a total of TRY 121,294, an outstanding claims reserve in the amount of TRY 163,588 is accounted for on the enclosed financial statements.)

The lawsuits filed against the third parties by the Company amounts to TRY 14,046,144 (31 December 2006: TRY 14,032,169). Cases opened against third parties are mainly related with the return of "income withholding tax" and "tax surcharge" on 95% of the interest income on government bonds, treasury bills and deposits, all belonging to insureds, which were deducted by the Central Bank or Ziraat Bankası, and were transferred to the Tax Office.

14. MATERIAL CHANGES IN ACCOUNTING ESTIMATES ABOUT COMPANY'S GROSS PROFIT AND MONETARY EFFECTS OF THESE CHANGES

None.

15. GUARANTEES AND MORTGAGES ON ASSETS

Based on the Foundation and Operation Regulations of Insurance and Reinsurance Companies, as of 31.12.2007 total guarantee allocated in favour of the Turkish Treasury in proportion to commitments due to insurance policies is TRY 1,500,679,792 and total guarantee liability is TRY 1,299,435,974.

In 31 December 2006, total guarantee allocated in favour of the Turkish Treasury in proportion to commitments due to insurance policies is TRY 1,340,215,477 and total guarantee liability is TRY 1,193,958,663.

16. INSURANCE ON ASSETS

31 December 2007

Type of Asset	Net Book Value (TRY)	Insurance Coverage (TRY)	Coverage Rate (%)
Tangible Fixed Asset	23,012,591	17,631,713	77

Insurance values of tangible fixed assets comprise, the value of building on properties other than the land share and the fair value of the other real estates.

31 December 2006

Type of Asset	Net Book Value (TRY)	Insurance Coverage (TRY)	Coverage Rate (%)
Tangible Fixed Asset	22,730,169	16,396,540	72

17. GUARANTEES AND MORTGAGES RECEIVED FOR RECEIVABLES

Details of the guarantees and mortgages received for receivables are shown below:

Type of Guarantee	31 December 2007 TRY	31 December 2006 TRY
Letters of Guarantee	758,867	597,435
Sureties	498,724	239,960
Real-estate Mortgage	6,900	7,900
Total	1,264,491	845,295

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Notes to the Balance Sheet for the Year Ended 31 December 2007

18. COMMITMENTS & CONTINGENT LIABILITIES

Commitment Type	31 December 2007 TRY	31 December 2006 TRY
Guarantees and Sureties	186,836	208,061

19. GUARANTEES FOUNDED AND THAT MUST BE FOUNDED FOR LIFE AND NON-LIFE INSURANCES BY THE COMPANY

31 December 2007

Branch	Required Blockage TRY	Current Blockage TRY
Life	1,299,267,824	1,500,483,891
Non-Life	168,150	195,901
Total	1,299,435,974	1,500,679,792

31 December 2006

Branch	Required Blockage TRY	Current Blockage TRY
Life	1,193,921,103	1,340,088,363
Non-Life	37,560	127,114
Total	1,193,958,663	1,340,215,477

20. COMPANY'S NUMBER OF LIFE INSURANCE POLICIES, ADDITIONS AND DISPOSALS DURING THE YEAR AND THE RELATED MATHEMATICAL RESERVES

31 December 2007

	Number	Mathematical Reserves TRY
31 December 2006	754,294	1,303,431,140
Additions	539,154	432,979,116
Disposals	(415,411)	(316,381,378)
31 December 2007	878,037	1,420,028,878

Reversed number of life insurance policies and the related mathematical reserves are included in the above mentioned table.

As detailed on the 11th disclosure, the financial assets that are classified within the available-for-sale category held by the life insurance policyholders are evaluated at their current value. TRY 33,193,888, which is 95% of the difference between the current value and the discounted value is recorded under the life mathematical reserves. This amount is not shown on the above table.

Life mathematical reserves reinsurer proportion in the amount of TRY 155,335 is not deducted from the mathematical reserves on the above table.

31 December 2006

	Number	Mathematical Reserves TRY
31 December 2005	625,520	1,400,149,778
Additions	547,720	385,008,028
Disposals	(418,946)	(481,726,666)
31 December 2006	754,294	1,303,431,140

The table above includes the cancelled amounts and mathematical reserves corresponding to those cancelled amounts.

As detailed on the 11th disclosure, the financial assets that are classified within the available-for-sale category held by the life insurance policyholders are evaluated at their current value. TRY 16,228,140, which is 95% of the difference between the current value and the discounted value is recorded under the life mathematical reserves. This amount is not shown on the above table.

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Notes to the Balance Sheet for the Year Ended 31 December 2007

Life mathematical reserves reinsurer proportion in the amount of TRY 181,556 is not deducted from the mathematical reserves on the above table.

21. GUARANTEE AMOUNTS GIVEN TO NON-LIFE INSURANCES ACCORDING TO BRANCHES

	31 December 2007 TRY	31 December 2006 TRY
Indemnity for deceased	541,147,452	505,297,650
Indemnity for disabled	540,947,452	505,097,650
Total	1,082,094,904	1,010,395,300

22. PENSION FUNDS AND UNIT PRICES ESTABLISHED BY THE COMPANY

Name of the Fund	31 December 2007 Unit Price TRY	31 December 2006 Unit Price TRY
AH1 Bond Fund	0.024884	0.020719
AH2 Liquid Fund	0.019383	0.016648
AH3 Eurobond Dollar Fund	0.012229	0.013300
AH4 Eurobond Euro Fund	0.013542	0.014008
AH5 Equity Fund	0.043496	0.031443
AH6 International Mixed Funds	0.013158	0.013141
AH8 Conservative Fund	0.022094	0.018972
AH9 Balanced Fund	0.026449	0.021595
AH0 Aggressive Fund	0.036133	0.027059
AG1 Bond Fund	0.020679	0.017112
AG2 Eurobond Fund	0.010307	0.011319
AG3 Equity Fund	0.025192	0.018300
AG4 Flexible Fund	0.019478	0.016447
HS1 Bill-Bond Fund	0.015752	0.013271
AHB White Equity	0.015294	0.011458
ATK Orange Bond Fund	0.011949	0.010190
ATE Orange Balanced Fund	0.012956	0.010139

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Notes to the Balance Sheet for the Year Ended 31 December 2007

23. PARTICIPATION CERTIFICATES IN PORTFOLIO AND IN CIRCULATION

31 December 2007

Participation Certificates in Circulation (EYF)	Number	Amount TRY
AH1 Bond Fund	19,598,491,010	487,688,850
AH2 Liquid Fund	793,921,138	15,388,573
AH3 Eurobond Dollar Fund	1,054,500,497	12,895,487
AH4 Eurobond Euro Fund	1,144,432,208	15,497,901
AH5 Equity Fund	902,804,285	39,268,375
AH6 International Mixed Fund	223,856,698	2,945,506
AH8 Conservative Fund	1,049,396,267	23,185,361
AH9 Balanced Fund	6,415,756,041	169,690,332
AH0 Aggressive Fund	1,664,706,298	60,150,833
AG1 Bond Fund	728,801,358	15,070,883
AG2 Eurobond Fund	45,671,548	470,737
AG3 Equity Fund	57,466,915	1,447,707
AG4 Flexible Fund	817,544,690	15,924,135
HS1 Bill-Bond Fund	2,720,465,581	42,852,774
AHB White Equity	139,913,104	2,139,831
ATK Orange Bond Fund	295,728,529	3,533,660
ATE Orange Balanced Fund	154,951,159	2,007,547

31 December 2006

Participation Certificates in Portfolio (EYF)	Number	Amount TRY
ATK Orange Bond Fund	1,808,203	18,426
ATE Orange Balanced Fund	7,706,310	78,134

Participation Certificates in Circulation (EYF)	Number	Amount TRY
AH1 Bond Fund	16,307,035,841	337,865,476
AH2 Liquid Fund	544,865,822	9,070,926
AH3 Eurobond Dollar Fund	488,189,107	6,492,915
AH4 Eurobond Euro Fund	588,867,638	8,248,858
AH5 Equity Fund	704,135,342	22,140,127
AH6 International Mixed Fund	175,340,908	2,304,155
AH8 Conservative Fund	732,668,905	13,900,194
AH9 Balanced Fund	3,534,479,648	76,327,088
AH0 Aggressive Fund	858,928,437	23,241,745
AG1 Bond Fund	398,446,542	6,818,217
AG2 Eurobond Fund	7,412,100	83,898
AG3 Equity Fund	17,387,007	318,182
AG4 Flexible Fund	541,413,069	8,904,621
HS1 Bill-Bond Fund	845,479,076	11,220,353
AHB White Equity	51,168,919	586,293
ATK Orange Bond Fund	7,729,828	78,767
ATE Orange Balanced Fund	2,133,688	21,633

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Notes to the Balance Sheet for the Year Ended 31 December 2007

24. NUMBER AND PORTFOLIO AMOUNTS OF INCOMING, DIVERGENT, CANCELLED AND EXISTING INDIVIDUAL AND GROUP RETIREMENT PROVISIONS IN THE CURRENT PERIOD

31 December 2007	Individual		Group	
	Number	Portfolio Amount TRY	Number	Portfolio Amount TRY
Additions	118,571	84,489,433	18,155	20,121,927
Disposals	18,602	60,659,806	3,302	9,158,907
Cancellations	-	-	-	-
Closing	259,932	756,959,144	59,741	153,720,009

31 December 2006	Individual		Group	
	Number	Portfolio Amount TRY	Number	Portfolio Amount TRY
Additions	95,074	226,135,414	13,452	13,834,675
Disposals	7,376	22,205,854	2,054	2,544,050
Cancellations	-	-	-	-
Closing	161,221	457,886,801	43,630	70,349,976

Additions: The sum of the new contracts added in the period and their registered cumulative values as of the period end in addition with the number of the contract begins and finishes in the same period.

Disposals: The number of the finalized contracts during the period and their values at their disbursement dates.

Closing: The number of standing contracts and their values as of the period end.

As a result of the changes that are subjected to alteration about the insurances of the individuals and groups, some transmissions caused and observations continued from the portfolio values. Besides, in the case where these insurance contracts, which were in effect as of the previous balance sheet date, became passive as a result of a reversal of collection arose during the period, number and portfolio amounts are net off at the end of the period. Number and portfolio amounts of the group and individual retirement provisions as stated in note 24 reflect the current position as of the period-end.

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Notes to the Balance Sheet for the Year Ended 31 December 2007

25. COMPARISON OF BOOK VALUE – MARKET VALUE – COST OF MARKETABLE SECURITIES

31 December 2007

Equity Participations

Listed:	Cost Value TRY	Market Value TRY	Book Value TRY
Yatırım Fin. Yat. Ort. A.Ş.	1,481,509	996,000	996,000
Türkiye Şişe ve Cam Fabrikaları A.Ş.	4,787	8,625	8,625
Total	1,486,296	1,004,625	1,004,625

Unlisted:	Cost Value TRY	Book Value TRY
Avea İletişim Hizmetleri A.Ş.	4,341,721	1,368,636
Bayek Ted. Sağ. Hizm. ve İşl. A.Ş.	8,387,733	7,021,123
Camış Menkul Değerler A.Ş.	2,457	2,457
Çayırova Cam Sanayi A.Ş.	1,006	1,006
Çelikort A.Ş.	322,828	321,784
Çuk. İnş. Mak. A.Ş.	11,631	11,631
Çuk. Mak. İmalat A.Ş.	693	693
Emeklilik Göz. Merk. A.Ş.	263,224	263,224
İş Koray Tur.Orm. Maden. İnş. Taah. Tic. A.Ş.	7,500,000	4,934,492
İş Net E.B.Ü.D.T. ve İ. Hiz. A.Ş.	557,817	453,931
İş Portföy Yönetimi A.Ş.	3,962,193	3,962,193
Kastamonu Holding A.Ş.	70,800	70,800
Merkez Pazarlama A.Ş.	68,285	68,285
Paşabahçe Cam San. A.Ş.	57,121	57,121
Trakya Yat. Hold. A.Ş.	3,592	3,592
Türk Ytong San. A.Ş.	142,079	142,079
Vatan Konserve San. Ve Tic. A.Ş.	1,245	1,245
Yatırım Fin. Menk. Değ. A.Ş.	381,614	381,614
Total	26,076,039	19,065,906

LONG TERM SECURITIES

Listed:	Cost Value TRY	Market Value TRY	Book Value TRY
İş GYO A.Ş.	38,399,327	55,018,961	55,018,961
TSKB A.Ş.	7,055,613	6,876,791	6,876,791
TSKB Yatır. Ort. A.Ş.	323,171	218,400	218,400
Total	45,778,111	62,114,152	62,114,152

FINANCIAL INSTRUMENTS OF WHICH RISKS ARE ATTRIBUTABLE TO LIFE INSURANCE POLICY HOLDERS

Available for Sale	Cost Value TRY	Market Value TRY	Book Value TRY
Government Bond	171,963,170	188,547,362	188,547,362
Equity Fund	1,682,479	2,967,453	2,967,453
Total	173,645,649	191,514,815	191,514,815

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Notes to the Balance Sheet for the Year Ended 31 December 2007

Held for Trading	Cost Value TRY	Market Value TRY	Book Value TRY
Government Bond	57,338,584	61,342,351	61,342,351
Reverse Repo	745,404	745,733	745,733
Equity Fund	10,925,692	11,845,197	11,845,197
Investment Fund	4,400,011	4,400,011	4,400,011
Total	73,409,691	78,333,292	78,333,292

Financial Instruments of Which Risks are Attributable to Life Insurance Policy Holders

Available for Sale	Cost Value TRY	Market Value TRY	Book Value TRY
Government Bond	1,168,977,877	1,276,473,090	1,276,473,090
Eurobond	139,060,711	132,499,775	132,499,775
Private Sector Bond	1,387,345	1,152,042	1,152,042
Held to Maturity			
Government Bond	34,600,001	36,966,666	36,329,346
Total	1,344,025,934	1,447,091,573	1,446,454,253

31 December 2006

Equity Participations

Listed:	Cost Value TRY	Market Value TRY	Book Value TRY
Yatırım Fin. Yat. Ort. A.Ş.	1,481,509	1,032,000	1,032,000
Total	1,481,509	1,032,000	1,032,000

Unlisted:	Cost Value TRY	Book Value TRY
Avea İletişim Hizmetleri A.Ş.	4,341,721	1,368,636
Bayek Ted. Sağ. Hizm. ve İşl. A.Ş.	8,387,733	7,021,123
Camiş Menkul Değerler A.Ş.	2,457	2,457
Çayırova Cam Sanayi A.Ş.	5,769	5,769
Çelikort A.Ş.	322,828	322,828
Çuk. İnş. Mak. A.Ş.	11,631	11,631
Çuk. Mak. İmalat A.Ş.	684	684
Emeklilik Göz. Merk. A.Ş.	263,224	263,224
İş Koray Tur.Orm. Maden. İnş. Taah. Tic. A.Ş.	7,500,000	4,934,492
İş Net E.B.Ü.D.T. ve İ. Hiz. A.Ş.	557,817	453,931
İş Portföy Yönetimi A.Ş.	2,762,193	2,762,193
Kastamonu Holding A.Ş.	70,149	70,149
Merkez Pazarlama A.Ş.	68,284	68,284
Paşabahçe Cam San. A.Ş.	57,116	57,116
Trakya Yat. Hold. A.Ş.	3,592	3,592
Türk Ytong San. A.Ş.	138,605	138,605
Vatan Konserve San. ve Tic. A.Ş.	1,245	1,245
Yatırım Finansman Menkul Değerler A.Ş.	343,624	343,624
Total	24,838,672	17,829,583

LONG TERM SECURITIES

Listed:	Cost Value TRY	Market Value TRY	Book Value TRY
İş GYO A.Ş.	37,226,563	67,551,204	67,551,204
TSKB A.Ş.	6,610,225	6,841,160	6,841,160
TSKB Yat. Ort. A.Ş.	323,172	234,000	234,000
Total	44,159,960	74,626,364	74,626,364

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Notes to the Balance Sheet for the Year Ended 31 December 2007

FINANCIAL INSTRUMENTS OF WHICH RISKS ARE ATTRIBUTABLE TO INSURANCE POLICY HOLDERS

Available for Sale	Cost Value TRY	Market Value TRY	Book Value TRY
Government Bond	153,553,097	172,723,257	172,723,257
Equity Fund	1,679,448	2,696,243	2,696,243
Total	155,232,545	175,419,500	175,419,500

Held for Trading	Cost Value TRY	Market Value TRY	Book Value TRY
Government Bond	54,097,902	55,686,974	55,686,974
Reverse Repo	1,358,552	1,360,476	1,360,476
Equity Fund	13,588,241	13,664,122	13,664,122
Individual Retirement Investment Fund	94,145	96,560	96,560
Investment Fund	2,199,955	2,204,614	2,204,614
VOB Transactions	1,129,294	1,287,567	1,287,567
Total	72,468,089	74,300,313	74,300,313

FINANCIAL INSTRUMENTS OF WHICH RISKS ARE ATTRIBUTABLE TO LIFE INSURANCE POLICY HOLDERS

	Cost Value TRY	Market Value TRY	Book Value TRY
Available for Sale			
Government Bond	994,083,272	1,104,295,704	1,104,295,704
Eurobond	109,762,165	114,762,484	114,762,484
Private Sector Bond	1,387,346	1,389,071	1,389,071
Held to Maturity			
Government Bond	86,187,103	91,662,542	90,554,897
Total	1,191,419,886	1,312,109,801	1,311,002,156

26. SECURITIES ISSUED BY SHAREHOLDERS, AFFILIATES AND SUBSIDIARIES RECORDED IN MARKETABLE SECURITIES OR LONG TERM SECURITIES

None.

27. DETAILS OF "OTHER" BALANCES IN FINANCIAL STATEMENTS

Other assets, other payables and other liabilities, which are over 20% of their group or 5% of the total assets, are as follows:

Current Receivables (Other Receivables)	31 December 2007 TRY	31 December 2006 TRY
Disputed income tax of policy holders	13,329,318	13,329,318
Other	2,788,298	1,922,012
Total	16,117,616	15,251,330

Short Term Liabilities – Other Liabilities	31 December 2007 TRY	31 December 2006 TRY
Disputed income tax of policy holders	13,329,318	13,329,318
Payables current account	1,535,012	1,209,796
shareholders' dividend	613	-
Temporary Accounts	4,784,439	3,612,059
Total	19,649,382	18,151,173

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

28. RECEIVABLE FROM AND PAYABLE TO PERSONNEL EXCEEDING 1% OF TOTAL ASSETS INCLUDED IN OTHER RECEIVABLES AND OTHER SHORT OR LONG TERM PAYABLES

None.

29. DOUBTFUL RECEIVABLES FROM SHAREHOLDERS, AFFILIATES OR SUBSIDIARIES

None.

30. DOUBTFUL RECEIVABLES FOR MATURED AND UNMATURED RECEIVABLES

Company provides doubtful receivable provision for receivables that are under legal follow-up. As of 31.12.2007, the Company provided provision amounting to TRY 104,297 covering all the receivables that are under legal follow up.

As of the balance sheet date, the Company recorded no provision for receivables not matured yet.

31. EQUITY INVESTMENTS

31 December 2007

	Book Value	Equity Share	Financial Statement Date	Period Profit/(Loss) before Tax (TRY)	Net Period Profit/(Loss) (TRY)	Financial Statement Standard	Independent Auditor's Opinion
Equity Participations:	TRY	%					
Yatırım Finansman Menkul Değerler A.Ş.	381,614	0.68	30/09/2007	9,515,599	7,753,487	SPK XI-25	Unqualified
Yatırım Finansman Yatırım Ortaklığı A.Ş.	996,000	12.00	31/12/2007	2,089,535	2,089,535	SPK XI-25	Unqualified
Bayek Tedavi Sağlık Hizm. Ve İşl. A.Ş.**	7,021,123	9.94	30/09/2007	(3,541,420)	(3,541,420)	TTK	*
Trakya Yatırım Holding A.Ş.	3,592	0.0007	31/12/2007	239,105	200,025	TTK	*
Emeklilik Gözetim Merkezi A.Ş.	263,224	9.09	31/12/2007	172,866	127,896	TTK	*
İş Portföy Yönetimi A.Ş.	3,962,193	20.00	31/12/2007	6,816,501	5,550,758	SPK XI-25	Unqualified
AVEA İletişim Hizmetleri A.Ş.***	1,368,636	0.03	31/12/2006	(732,172,622)	(732,172,622)	TTK	*
İş Net E. B. Ü.D. T. ve İ. Hiz. A.Ş.****	453,931	2.00	30/09/2007	1,355,943	1,355,943	TTK	*
İş Koray Turizm Ormançılık Madencilik İnş. Taah. ve Tic. A.Ş.*****	4,934,492	18.01	30/09/2007	(1,429,085)	(1,429,085)	TTK	*
Other*****	685,726						
Total	20,070,531						

(*): Unaudited.

(**): At 31 December 2007 dated financial statements, TRY 1,366,610 provision is booked.

(***): At 31 December 2007 dated financial statements, TRY 2,973,085 provision is booked.

(****): At 31 December 2007 dated financial statements, TRY 103,886 provision is booked.

(*****): At 31 December 2007 dated financial statements, TRY 2,565,508 provision is booked.

(*****): At 31 December 2007 dated financial statements, TRY 1,044 provision is booked for Çelikord A.Ş.

Long Term Securities

	Book Value	Equity Share	Financial Statement Date	Period Profit/(Loss) before Tax (TRY)	Net Period Profit/(Loss) (TRY)	Financial Statement Standard	Independent Auditor's Opinion
Equity Participations:	TRY	%					
İş GYO A.Ş.	55,018,961	7.11	31/12/2007	55,067,130	54,942,236	SPK XI-25	Unqualified
TSKB Yatırım Ortaklığı A.Ş.	218,400	1.73	31/12/2007	2,131,497	2,131,497	SPK XI-25	Unqualified
TSKB A.Ş.	6,876,791	0.89	31/12/2007	170,622,000	147,481,000	BDDK	Unqualified
Total	62,114,152						

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

31 December 2006

	Book Value	Equity Share	Financial Statement Date	Period Profit/(Loss) before Tax (TRY)	Net Period Profit/(Loss) (TRY)	Financial Statement Standard	Independent Auditor's Opinion
Equity Participations:	TRY	%					
Yatırım Finansman Menkul Değerler A.Ş.	343,624	0.68	31/12/2006	6,152,169	4,911,000	SPK XI-25	Unqualified
Yatırım Finansman Yatırım Ortaklığı A.Ş.	1,032,000	12.00	31/12/2006	173,719	173,719	SPK XI-25	Unqualified
Bayek Tedavi Sağlık Hizm. ve İşl. A.Ş.***	7,021,123	9.94	31/12/2006	(5,637,298)	(5,637,298)	TTK	*
Trakya Yatırım Holding A.Ş.	3,592	0.0007	30/09/2006	72,429	60,570	TTK	*
Emeklilik Gözetim Merkezi A.Ş.	263,224	9.09	30/09/2006	268,616	206,895	TTK	*
İş Portföy Yönetimi A.Ş.	2,762,193	20.00	30/09/2006	5,878,692	4,725,949	SPK XI-25	*
AVEA İletişim Hizmetleri A.Ş.****	1,368,636	0.03	**	**	**	**	**
İş Net E. B. Ü.D. T. ve İ. Hiz. A.Ş.*****	453,931	2.00	30/09/2006	(881,966)	(881,966)	TTK	*
İş Koray Turizm Ormanlık Madencilik İnş. Taah. ve Tic. A.Ş.*****	4,934,492	18.01	30/09/2006	(5,297,787)	(5,297,787)	TTK	*
Other	678,768						
Total	18,861,583						

(*) Unaudited.

(**) 31.12.2006 financial statements are not available.

(***) At 31 December 2006 dated financial statements, TRY 1,366,610 provision is booked.

(****) At 31 December 2006 dated financial statements, TRY 2,973,085 provision is booked.

(*****) At 31 December 2006 dated financial statements, TRY 103,886 provision is booked.

(******) At 31 December 2006 dated financial statements, TRY 2,565,508 provision is booked.

Long Term Securities

	Book Value	Equity Share	Financial Statement Date	Period Profit/(Loss) before Tax (TRY)	Net Period Profit/(Loss) (TRY)	Financial Statement Standard	Independent Auditor's Opinion
Equity Participations:	TRY	%					
İş GYO A.Ş.	67,551,204	7.11	31/12/2006	48,831,405	48,750,382	SPK XI-25	Unqualified
TSKB Yatırım Ortaklığı A.Ş.	234,000	1.73	31/12/2006	(54,214)	(54,214)	SPK XI-25	Unqualified
TSKB A.Ş.	6,841,160	0.89	31/12/2006	129,948,000	106,402,000	BDDK	Unqualified
Total	74,626,364						

32. BONUS SHARES OBTAINED FROM AFFILIATES AND SUBSIDIARIES DUE TO CAPITAL INCREASE FROM OWN RESOURCES

31 December 2007

The number of free charged shares because of the capital increase from own resources in the current year:

Company Name	TRY
Yatırım Finansman Menkul Değerler A.Ş.	37,990
TSKB A.Ş.	445,388
Türk Ytong San. A.Ş.	3,474
Paşabahçe Cam San. A.Ş.	5
Kastamonu Holding A.Ş.	651
İş Portföy Yönetimi A.Ş.	1,200,000
İş GYO A.Ş.	1,172,764
Çukurova Mak. İml. ve Tic. A.Ş.	9
Cam Pazarlama A.Ş.(*)	24
Total	2,860,305

* Merger of Cam Pazarlama A.Ş. and Türkiye Şişe and Cam Sanayi A.Ş. was approved in the extraordinary general meeting dated 31.12.2007 and declared in the Trade registry Gazete numbered 6972 on 08.01.2008. Shares of Türkiye Şişe ve Cam Sanayi A.Ş., which was worth TRY 3,670 nominal, have been given to our company in compensation of TRY 2,685 shares of Cam Pazarlama A.Ş., the affiliate of ours.

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

31 December 2006

The number of free charged shares because of the capital increase from own resources in the current year:

Company Name	TRY
TSKB A.Ş.	509,713
TSKB Yat. Ort. A.Ş.	72,000
İş Portföy Yönetimi A.Ş.	1,000,000
Total	1,581,713

33. NON-CASH RIGHTS ON IMMOVABLES

None.

34. INCREASE IN VALUATIONS OF FINANCIAL ASSETS WITHIN LAST THREE YEARS

	31 December 2007 TRY	31 December 2006 TRY	31 December 2005 TRY
Financial Assets Available for Sale	17,869,166	20,186,955	19,288,619
Financial Assets Held for Trading	4,923,601	1,832,224	8,993,961
Financial Instruments of Which Risks are Attributable to Life Insurance Policy Holders	102,428,319	119,582,270	124,405,258
Long Term Securities	16,336,041	30,466,404	34,030,504
Subsidiaries	(481,671)	(449,509)	210,491
Total	141,075,456	171,618,344	186,928,833

Increases in value reflect the differences between the book value as of the end of the year and cost value of the financial instruments.

35. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

31 December 2007

Foreign Currency Receivables	FC Amount	Rate (CB Effective Bid)	Amount (TRY)
Bank (FC):			
USD	236,401	1,1647	275,336
CHF	8,088	1,0273	8,309
EURO	161,080	1,7102	275,479
GBP	60,641	2,3259	141,045
Total			700,169

There are no foreign currency payables.

31 December 2006

Foreign Currency Receivables	FC Amount	Rate (CB Effective Bid)	Amount (TRY)
Banks (FC):			
USD	51,340	1,40560	72,164
CHF	12,726	1,15030	14,638
EURO	61,622	1,85150	114,093
GBP	13,693	2,75690	37,750
Total			238,645

There are no foreign currency payables.

36. GUARANTEES GIVEN ON BEHALF OF SHAREHOLDERS, EQUITY PARTICIPATIONS OR SUBSIDIARIES

There are no guarantees given on behalf of shareholders, equity participations or subsidiaries.

Anadolu Hayat Emeklilik A.Ş.

Notes to the Balance Sheet for the Year Ended 31 December 2007

37. AVERAGE PERSONNEL NUMBER THROUGH THE YEAR BASED ON CATEGORIES

	31 December 2007 Number	31 December 2006 Number
Senior Managers	7	7
Managers	57	53
Officers	204	187
Contractual Personnel	7	6
Marketing and Sales Personnel (*)	238	-
Other	20	20
Total	533	273

(*): Starting from 1 May 2007 marketing and sales personnel are employed within the company.

38. VALUATION METHOD USED TO CALCULATE SHARE OF PROFIT FOR LIFE INSURANCES WITH SHARE OF PROFIT

Company classified Financial Instruments of Which Risks are Attributable to Life Insurance Policy Holders as "available for sale" and "held to maturity".

These instruments are valued according to the 11th footnote written above. According to these financial basis, valuation differences that are written under the balance sheet and the income statement are considered in the calculation of profit share.

39. REASON FOR CONTRACTING LONG-TERM AND SHORT-TERM BORROWING

None.

40. OTHER SIGNIFICANT MATTERS MATERIALLY AFFECTING THE FINANCIAL STATEMENTS

31 December 2007

a) Confirmations of reinsurer accounts can be completed in 3 months for quarter terms due to reinsurer transactions process in insurance sector. The confirmation of Company's reinsurer accounts has been completed for the term of the third quarter of year and no significant discrepancy has been determined. Therefore, reinsurer confirmation realized during the fourth quarter of the year ended 31 December 2007 will be completed after reconciliation with the third parties.

b) Since the insurance technical provisions can not be decomposed according to their maturities, for precautionary reasons they are classified as short term liabilities.

31 December 2006

a) In accordance with the decision of the board of directors meeting held on 27 March 2006, the Company decided to net-off TRY 5,013,899 of previous years' losses arose due to the inflation adjustments as of 2004 year end, with the profit of 2005.

b) Confirmations of reinsurer accounts can be completed in 2-3 months for quarter terms due to reinsurer transactions process in insurance sector. The confirmation of Company's reinsurer accounts has been completed for the term of the third quarter of year and no significant discrepancy has been determined. Therefore, reinsurer confirmation realized during the fourth quarter of the year ended 31 December 2006 will be completed after reconciliation with the third parties.

c) Since the insurance technical provisions can not be decomposed according to their maturities, for precautionary reasons they are classified as short term liabilities.

41. RECOURSE RECEIVABLES FOLLOWED IN OFF BALANCE-SHEET ITEMS

None.

Anadolu Hayat Emeklilik A.Ş.

Notes to the Income Statement

for the Year Ended 31 December 2007

1. All depreciation and amortization expenses of the current and prior period;

	01.01.2007-31.12.2007 TRY	01.01.2006- 31.12.2006 TRY
a) Depreciation Expense	1,470,503	1,390,637
i. Normal Depreciation Expense	1,470,503	1,390,637
ii. Depreciation expenses due to revaluation	-	-
b) Amortization Expense	465,068	339,397
Total	1,935,571	1,730,034

2. Accrual and provision expenses for the year:

	01.01.2007-31.12.2007 TRY	01.01.2006- 31.12.2006 TRY
Provision for diminution in value of participations	1,044	4,036,004
Provision reversed	(357,738)	(1,551,283)
Retirement pay provision	1,596,881	631,617
Other provisions	16,792	1,689,448
Total provisions	1,256,979	4,805,786
Tax provision expense	11,610,055	5,567,714
Provisions for unearned premiums *	(554,129)	884,804
Provisions for outstanding claims *	(86,424)	(85,982)
Life mathematical provisions *	116,623,960	(96,393,552)
Total	128,850,441	(85,221,230)

(*): It is showed as net off after deduction of transferred part and reinsurer part.

3. Financing costs of the period:

None.

4. No portion of period's financing costs is related with shareholders, affiliates and subsidiaries.

Anadolu Hayat Emeklilik A.Ş.

Notes to the Income Statement

for the Year Ended 31 December 2007

5. Transactions with shareholders, affiliates and subsidiaries in the current period:

1 January 2007 - 31 December 2007

	Premiums Received TRY	Premiums Paid TRY
Shareholders		
Anadolu Anonim Türk Sigorta Şti.	68,444	440,716
İş Net E.B.Ü.D. Tic. ve İlet. Hizm. A.Ş.	42,384	-
TSKB A.Ş.	20,529	-
Total	131,357	440,716

1 January 2006 - 31 December 2006

	Premiums Received TRY	Premiums Paid TRY
Shareholders		
İş Net E.B.Ü.D. Tic. ve İlet. Hizm. A.Ş.	99,241	78,352
Anadolu Anonim Türk Sigorta Şirketi	46,433	-
TSKB A.Ş.	23,170	-
Total	168,844	78,352

6. Rent, interest and similar other income or expense relating the shareholders, affiliates or subsidiaries:

	01.01.2007-31.12.2007 TRY	01.01.2006- 31.12.2006 TRY
T. İş Bankası A.Ş. (Shareholder) (Commission expense paid for policy production)	12,683,271	9,917,754
T. İş Bankası A.Ş. (Shareholder) (Commission expenses paid for banking services and collection of premium)	1,517,833	2,903,579
Anadolu Anonim Türk Sigorta Şirketi (Shareholder) (Rent Payment)	114,803	104,772
İş GYO A.Ş. (Subsidiary) (Rent Payment)	2,056,664	1,825,824
İş Portföy Yönetimi A.Ş. (Affiliate) (Fund management commission expense)	4,205,638	2,394,875
AVEA İletişim Hizmetleri A.Ş. (Affiliate) (Communication Expense)	188,137	163,936
İş Net Elekt. Bil. Ür. Dağ. Tic. ve İlet. Hizm. A.Ş. (Affiliate) (Communication Expense)	192,002	199,971

Anadolu Hayat Emeklilik A.Ş.

Notes to the Income Statement

for the Year Ended 31 December 2007

7. The total of salary and fringe benefits provided during the current period and prior period for the executives as follows:

	01.01.2007-31.12.2007 TRY	01.01.2006- 31.12.2006 TRY
Amount of salary and fringe benefits	2,299,120	1,970,805

8. Depreciations are calculated according to the partial method for all monetary and non monetary items over the restated values of all monetary items

9. Criteria for the distribution of operational expenses

The general administration, research and development, marketing, sales advertisement expenses are allocated to related branches, if practical. If the Company cannot determine the allocation of the expenses, they are allocated according to their quantity of life insurances and the quantity of individual retirement accounts..

10. Profit and loss & income and expenses in the previous period:

None.

11. Earnings per share as of the report date is as follows:

	01.01.2007-31.12.2007 TRY	01.01.2006-31.12.2006 TRY
Period Profit	57,091,267	30,853,148
Corporate Tax Provision (-)	(11,610,055)	(5,567,714)
Profit After Tax	45,481,212	25,285,434
Earnings Per Share	0.0026	0.0014

12. Distribution of new individual retirement participants and gross & net participation shares for individual and corporate clients in the current period:

1 January 2007 – 31 December 2007

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	118,571	93,957,688	90,184,307
Corporate	18,155	20,973,570	20,765,857
Total	136,726	114,931,258	110,950,164

Anadolu Hayat Emeklilik A.Ş.

Notes to the Income Statement

for the Year Ended 31 December 2007

The units of new agreements made in the current period, the agreements that has started and ended in the current period and the participation shares paid in the current period for those agreements and the portion of these participation shares that are used in investing activities are stated. The amounts that are collected by credit cards and which are not yet used in investing activities are also included into total of gross and net participation shares (into amount of portfolio in balance sheet foot note 24)

1 January 2006 - 31 December 2006

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	95,074	229,306,817	226,920,778
Corporate	13,452	14,446,872	14,328,509
Total	108,526	243,753,689	241,249,287

13. Distribution of new individual retirement participants and gross & net participation shares for individual and corporate clients that came from another insurance company in the current period:

1 January 2007 - 31 December 2007

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	3,042	15,285,095	15,285,095
Corporate	1,191	6,916,996	6,916,996
Total	4,233	22,202,091	22,202,091

1 January 2006 - 31 December 2006

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	1,471	6,280,073	6,280,073
Corporate	392	1,478,009	1,478,009
Total	1,863	7,758,082	7,758,082

14. Distribution of new individual retirement participants and gross & net participation shares for individual and corporate clients that were transferred from life insurance portfolio in the current period:

1 January 2007 - 31 December 2007 *

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	-	-	-
Corporate	-	-	-
Total	-	-	-

*): The legal term of transfer process from Life portfolio to individual retirement ended on 7 October 2006 .

1 January 2006 - 31 December 2006

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	14,294	151,916,460	151,916,460
Corporate	58	1,148,610	1,148,610
Total	14,352	153,065,070	153,065,070

15. Distribution of individual retirement participants and gross & net participation shares for individual and corporate clients that were left the Company or transferred to another insurance company in the current period:

1 January 2007 - 31 December 2007

	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Divergent			
Individual	18,602	60,659,806	48,903,124
Corporate	3,302	9,158,907	7,204,158
Total	21,904	69,818,713	56,107,282

Anadolu Hayat Emeklilik A.Ş.

Notes to the Income Statement

for the Year Ended 31 December 2007

Units: Units of participants that left the Company between 01 January 2007 - 31 December 2007.

Participation Share (Gross): Sales of the funds amount after the divergence, in other words cost of divergence.

Participation Share (Net): The remaining amount paid to the participant after certain features (entrance fee and withholding) are deducted from the Gross Amount.

1 January 2006 - 31 December 2006

Divergent	Unit	Participation Share (Gross) TRY	Participation Share (Net) TRY
Individual	7,376	22,205,855	17,879,393
Corporate	2,054	2,544,050	1,769,157
Total	9,430	24,749,905	19,648,550

16. Distribution of new life insurance policyholders in terms of numbers and gross & net premium as individual or group in the current period:

1 January 2007 - 31 December 2007

	Units	Net Premium TRY
Individual	405,194	145,688,272
Group	133,960	19,632,840
Total	539,154	165,321,112

1 January 2006 - 31 December 2006

	Units	Net Premium TRY
Individual	498,452	130,047,119
Group	49,268	5,956,741
Total	547,720	136,003,860

17. Distribution of mathematical reserves for life insurance policyholders which left the Company as individual or group in the current period:

1 January 2007 - 31 December 2007

	Units	Mathematical Reserves TRY
Individual	367,247	312,628,146
Group	48,164	3,753,233
Total	415,411	316,381,379

1 January 2006 - 31 December 2006

	Units	Mathematical Reserves TRY
Individual	403,439	473,802,820
Group	15,507	7,923,846
Total	418,946	481,726,666

Anadolu Hayat Emeklilik A.Ş.

Notes to the Income Statement for the Year Ended 31 December 2007

18. Share profit distribution rate for life insurance policyholders is as follows in the current period:

Life Insurance	1 January 2007	1 January 2006
	31 December 2007	31 December 2006
	Share Profit Distribution Rate (%)	Share Profit Distribution Rate(%)
TRY (Life Insurance)	19.71	16.33
TRY (Income Policies)	19.60	16.19
USD (Life Insurance)	8.53	8.80
USD (Income Policies)	8.50	8.74
EURO (Life Insurance)	6.34	6.59
EURO (Income Policies)	6.29	6.49
GBP (Life Insurance)	7.78	8.16
GBP (Income Policies)	7.78	8.10

19. Other Notes:

	01.01.2007-31.12.2007	01.01.2006- 31.12.2006
	TRY	TRY
Tax Penalty*	1,905,408	-
Other	311,027	421,144
Total	2,216,435	421,144

* As a result of the fact that the Tax Inspectors Board denied the policy of deducting the income of assets acquired with mathematical provisions from the corporate tax of 2001, Ministry of Finance requested from the company the total tax and fund share amounting to TRY 1,494,592, including default interest. In the tax settlement related with this request, made on 13 March 2007, tax and fund share amount was reduced to TRY 1,000,000 and the total amount of TRY 3,400,000, including default interest, was paid to the Ministry of Finance on 11 April 2007. Financial tables as of 31 December 2006 include a provision of TRY 1,494,592 related with the matter. The remaining of TRY 1,905,408 is accounted for in the "other expense and losses" in the current year.

Anadolu Hayat Emeklilik A.Ş.

Information for Investors

Stock Exchange

Anadolu Hayat Emeklilik A.Ş. stocks are traded on the İstanbul Stock Exchange (ISE) in the national market under the symbol ANHYT. Information about the Company's stocks is published on the economics pages of daily newspapers and on the internet portals of brokerage houses.

Investor Relations

Copies of Anadolu Hayat Emeklilik A.Ş.'s annual reports and other information about the company may be obtained from the following address as well as from the corporate website located at www.anadoluhayat.com.tr.

Shareholder Relations Unit

Anadolu Hayat Emeklilik A.Ş.
İş Kuleleri Kule 2 Kat: 19
Levent İstanbul

Annual General Meeting

Anadolu Hayat Emeklilik A.Ş.'s Annual General Meeting was held on 27 March 2008 at 15:00 hours at the address of İş Kuleleri, Kule 2, Kat 20, 34330 Levent İstanbul.

Independent Auditor

DRT Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
Sun Plaza Dereboyu Sok. No: 24
34398 Maslak İstanbul

Tax Certification

DRT Yeminli Mali Müşavirlik A.Ş.
Sun Plaza Dereboyu Sok. No: 24
34398 Maslak İstanbul

Anadolu Hayat Emeklilik Share Performance in 2007

According to its year-end balance sheet, Anadolu Hayat Emeklilik's capital amounts to TRY 175,000,000, consisting of fully-paid 17,500,000,000 shares each with a value of Ykr 1. 16% of the Company's shares are publicly held. The lowest price per share during the year was TRY 4.61 and the highest was TRY 6.68. The average trading price for the whole year was TRY 5.48. Share price quarterly lows and highs are presented below.

TRY	Highest	Lowest
01.01.2007 - 31.03.2007	6.68	4.61
01.04.2007 - 30.06.2007	6.40	4.72
01.07.2007 - 30.09.2007	6.20	5.10
01.10.2007 - 31.12.2007	6.35	4.92

Anadolu Hayat Emeklilik A.Ş. Directory

Anadolu Hayat Emeklilik A.Ş.

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Head Office

İş Kuleleri Kule 2 Kat: 16, 18, 19, 20
34330 4. Levent-İstanbul
Phone: (90 212) 317 70 70
Fax: (90 212) 317 70 77

İstanbul District Office 1

Setüstü, İnebolu Sokak
No: 39 Haktan İş Merkezi
34427 Kabataş-İstanbul
Phone: (90 212) 244 76 00 pbx
Fax: (90 212) 243 84 40

İstanbul District Office 2

Caferağa Mahallesi Neşet Ömer Sokak No: 4
Kat: 1 34710 Kadıköy-İstanbul
Phone: (90 216) 330 94 84 pbx
Fax: (90 216) 330 92 54

Central Anatolian District Office

Tunus Caddesi No: 46
06680 Kavaklıdere-Ankara
Phone: (90 312) 468 62 82 pbx
Fax: (90 312) 468 30 67

Southern Anatolian District Office

Kurtuluş Mahallesi Ziya Paşa Bulvarı
Tevfik Bey Apt. No: 37/A Zemin Kat
01120 Seyhan-Adana
Phone: (90 322) 458 30 70 pbx
Fax: (90 322) 458 70 43

Marmara District Office

Fomara Meydanı Mantıcı Cad. No: 21
Ayı Plaza Kat: 1 16030 Bursa
Phone: (90 224) 223 71 35 / 223 73 57
Fax: (90 224) 223 75 08

Aegean District Office

Atatürk Caddesi No: 92 Kat: 3
35210 Konak-İzmir
Phone: (90 232) 441 23 43
Fax: (90 232) 441 82 92

TRNC Branch Office

Osmanpaşa Caddesi Yağcıoğlu İşhanı No: 7/3
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